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Let Socialist Ideas and Ethics Become Common Practice

HK0401150091 Beijing QIUSHI [SEEKING TRUTH] in Chinese No 23, 1 Dec 90 pp 2-4

[Article by Wang Renzhi (3769 1804 0037)]

[Text] Editor's Note: This is the speech delivered by Comrade Wang Renzhi at the opening of the National Work Conference on the Activities of Building Spiritual Civilization on 7 November 1990. [end editor's note]

The National Work Conference on Building Spiritual Civilization, jointly convened by the CPC Central Committee's Propaganda Department and the State Council's General Office is now open. The topic of this conference is the summing up of the mass activities of building spiritual civilization since the 1984 national propagation of the experiences of Sanming City. The focus involves studying and strengthening the building of socialist ideas and ethics and, in accordance with the idea of widely drawing in mass participation and, through such participation, educating the masses, to discuss future work. In a situation where the building of socialist spiritual civilization has gone through complications, but where a new turn for the better has emerged and where, throughout the nation, everyone is widely propagating the spirit of the Beijing Asian Games, everyone has come to Shashi City in Hubei to study and promote the building of spiritual civilization. This has major significance. Comrade Li Ruihuan will be coming to the conference to listen to everyone's opinions and to make a speech. Comrades from various areas have made serious preparations for this conference. The Hubei provincial committee, the provincial government, the Shashi City CPC Committee and government have provided a wonderful venue and made all the necessary arrangements for the conference. Here, on behalf of the CPC Central Committee Propaganda Department and the General Office of the State Council, I would like to express sincere respects to the comrades who have worked hard in building spiritual civilization and warm congratulations to the comrades of Hubei and of Shashi City.

Since the Third Plenary Session of the 11th CPC Central Committee, achievements have been realized in the building of socialist spiritual civilization in our country and, overall, this cause has seen progress and development. With the encouragement of the party's initiatives and education, the building of socialist ideals and political faith with Chinese characteristics has attained an increasingly deep position in people's hearts; the mien of social ethics and relationships between people have, by passing the new tests provided by reform and opening up, gradually moved in a healthy direction; the causes of culture, education, science, and sports have seen new developments; mass activities of building spiritual civilization have realized new advances and there have been improvements in the urban and rural environments and people's spiritual state. Everyone can see that socialist

spiritual civilization, as an essential characteristic of socialism and a major manifestation of the superiority of the socialist system, has already shown its irreplaceable role and brought a powerful vigor to our country's social progress and the people's undertakings.

However, we must also recognize that, for a time in the past, because of some mistakes by individual leaders of the Central Committee, their unclear understanding of the nature of socialism and of the changes in the objective situation since socialist construction entered a new historical stage and consequent lack of effective policies and measures, the building of socialist spiritual civilization suffered a serious lack of attention and weakened. At that time, the ideological tide of bourgeois liberalization and the decadent bourgeois view of life, value concepts, and various other cultural rubbish spread unchecked. As a result, our party and the republic had to pay a great price but, at the same time, from this we gained the deep-going lesson that it is necessary to greatly strengthen the building of socialist spiritual civilization and especially necessary to strengthen ideological and ethical construction. Since the Fourth Plenary Session of the 13th CPC Central Committee, under the leadership of the Central Committee with Comrade Jiang Zemin as the core, the whole party has attained a wide common understanding in this respect; a series of real steps has been adopted: the study of adherence to the four cardinal principles and opposition to bourgeois liberalization has been seriously organized; the strengthening of ideological and political work has been stressed; there has been earnest grasping of party building and the building of clean government; and there has been resolute struggle developed to "sweep away pornography" and to eliminate the "six vices." At present, the situation whereby the building of material civilization has been tightly grasped and the building of spiritual civilization has been lightly grasped is now being changed. An atmosphere in which the two civilizations are grasped together and in which the two types of building are carried out together is now being formed. Although the current difficulties are many and the challenges we face are quite serious, we do have a quite good base and the situation is improving. We should have full confidence in the prospects for the building of socialist spiritual civilization.

The building of socialist spiritual civilization is an important part of the theory and practice of building socialism with Chinese characteristics. Practice over many years has told us that, in the great historical course of building socialism with Chinese characteristics, developing a planned commodity economy on a public ownership base, building a system of socialist democracy, and building socialist spiritual civilization, form a unified process of advance in which these various aspects are mutually coordinating and promoting. If the building of spiritual civilization is weakened, it will not be possible to build socialism with Chinese characteristics. We should understand and consider the building of socialist spiritual civilization from the high plane of the

objective patterns and essential characteristics of the development of the socialist cause and give this our full attention. Under the guidance of the party's basic line of "one center and two basic points" and through efforts in various respects and full effective work, we must ensure that the building of spiritual civilization—including the building of ideology and ethics and of education, science, and culture—permeates and is manifested in the various areas of economic, political, cultural, and social lives.

The ideological and ethical systems, as the core of spiritual civilization, have always been a reflection of a certain socioeconomic base and have formed a unity with the political superstructure that restricts them. The basic tenet of bourgeois ethics is individuality. Its emergence and existence manifest the demands of capitalist private property ownership rights and of the system where man exploits man. Although in the process of opposition to feudalism such ethics did play various progressive roles, following the development of history, these ethics have increasingly come to manifest an egoism where one is intent solely on profitmaking, where the individual is supreme, and where everyone is bent on trying to cheat others. Capitalist society changes the relations between people into naked money relations and money becomes the real standard of bourgeois dignity and morality. In today's capitalist states, egoism and the worship of money have induced immoral and antisocial activities and these have already become incurable problems. Our country has built an economic system which has public ownership as the core and a political system which has the people as masters. This determines that we must build socialist ideology and ethics in accord with this economic base and superstructure, which has collectivism as its core, and we must actively propagate communist ideology and ethics. As to the achievements in spiritual civilization in capitalist society, including modern science and technology, advanced management methods, and other spiritual wealth worthy of reference, we must, of course, actively draw them in and fuse them together with the socialist spiritual civilization which we are building. However, ethical standards and value orientations established on the basis of a completely different ownership system will inevitably be completely antithetical. Regardless of the sense in which they are viewed, the bourgeois view of life and value concepts can only have a corrosive, destructive, and damaging effect on our spiritual civilization and overall socialist cause. We must have a clear understanding of their dangerous nature, carry out effective resistance, and make efforts to have socialist ideology, ethics, and value concepts become the common practice throughout the whole society.

At present, our country is in a crucial stage of socialist development. We must do well in economic improvement and rectification, carry out further reform and opening up, perfect and develop the socialist system, and achieve the goal of realizing another doubling of GNP by the end of the century. We must maintain the situation of sustained social and political stability and, in stability,

overcome difficulties, resolve contradictions, and continually advance. In completing these strenuous and arduous tasks, we must fully bring into play the political superiorities of the party and strengthen the building of socialist spiritual civilization. There is no doubt that we must persist in taking economic construction as the center, persist in planned development, and persist with the development of a planned commodity economy, to provide better material conditions and a broader stage for building spiritual civilization. However, the development of the commodity economy will certainly not spontaneously form a strong social and spiritual prop for national invigoration. We must closely link up with the new practice of socialist modernization and reform and opening up and use revolutionary ideas, scientific theory, and advanced ethics to concentrate and invigorate the hundreds of millions of the masses and strive to have spiritual force become a major material force. We must adhere to Marxism-Leninism-Mao Zedong Thought, continue to deepen our criticism of the ideological tide of bourgeois liberalization, and consolidate and develop a socialist ideological and cultural front. We must seriously grasp the building of ideology and ethics, strongly propagate a patriotic spirit, firm our socialist faith, foster the idea of collectivism, widely initiate the social practice of "loving the motherland, loving the people, loving labor, loving science, and loving socialism," and strive to foster a new generation of persons who "have ideals, morality, culture, and discipline." We must do work in this respect firmly and in a sustained way and provide a strong spiritual motivation and effective ideological and political guarantees for our country's economic development and social stability.

Strengthening the building of socialist spiritual civilization is a major systematic process requiring joint effort by various departments. School and education departments, propaganda and media departments, theory research departments, cultural and art departments, and scientific and technical departments all bear this task and they should, in accordance with the division of functions and work, do all they can to provide a great volume of fine spiritual products, positively carry out effective education and inculcation, and further create a good public opinion environment. At the same time, we must continue to deeply develop mass activities of building spiritual civilization and, relying on the widespread participation of hundreds of millions of the masses, carry out the task of building socialist spiritual civilization at the basic levels in both urban and rural areas. This is the successful road we are traveling in building spiritual civilization and it involves creation of major significance. Through the activities of building spiritual civilization, and combining guidance by the leading organs with participation by the broad masses, we should join the work of educating and fostering people with the various types of social practice involving transformation of the environment and changing established practices. Thereby, in participation and in practice, people will receive socialist education and the nurturing of modern culture. Lenin once pointed out

that establishing new labor discipline, establishing a new form of social relations between people, and establishing new forms and new methods of drawing people into participating in labor are the most efficacious and noble work. Mass activities of building spiritual culture are such noble activities. They are beneficial to society and create prosperity for the people. How are we to use diverse, realistic, and appealing forms, methods, avenues, and activities to do this work well? This requires joint exploration, creativity, practice, and summing up by everybody. There are some enterprises and some units carrying out education work for their staff and workers in the areas of professional ideals, professional morality, professional discipline, and professional techniques and they have realized achievements. This sort of education gives real body to education in the "five loves" and "four requirements." Over the last few years, people have all deeply felt that it is extremely important to manifest the demands of socialist spiritual civilization in the various links of urban and rural commodity economy development, which affect hundreds of thousands of families. Otherwise, improper tendencies will proliferate in the various trades and professions, and in the whole society, and everyone will taste the bitter fruits produced thereby. We should continually sum up good models and good experiences in the area of concretely combining education in the "five loves" and "four requirements" with the various economic and social links and activities; with the study, work, and labor practice of people in all professions and at all posts; and with the various cultural, sporting, and recreational activities in factories, shops, schools, villages, and communities. If we unwaveringly persist in this way, we will certainly be able to use new creation to continually break new ground in building spiritual civilization.

Over the last few years, the mass activities of building spiritual civilization have generally relied on the localities for organization and on the party, government, Army, mass organizations, and such sectors to jointly implement them. At this conference, if we want to properly sum up our past work and properly arrange our work in the future, we need to rely on the experiences and wisdom of the whole body of participating comrades and rely on everyone's pooled wisdom and collected ideas. It is hoped that you, comrades, will contribute your good ideas, good experiences, and good methods so that we can jointly have a good conference.

The Enlightenment of History, the Call of the Times—A Talk With College Students on Avenues for Becoming Capable and Useful Persons

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[Article by Hou Zongbin (0186 1350 6333), Henan Provincial CPC Committee]

[Text] Becoming an upright and useful person who can render service to the country is the ardent wish of

contemporary college students and also a demand of the times. Invigoration of the Chinese nation and realization of a prosperous socialist motherland are a great goal which requires the joint struggle of several generations to achieve. Contemporary college students are the generation that will cross into the new century and they shoulder the great historical mission of carrying forward the cause and forging into the future. As Comrade Mao Zedong said to the Chinese college students studying abroad in the Soviet Union in the 1950's: "The world is yours, as well as ours. However, in the end it will belong to you. You young people are imbued with vitality and are in the prime of life, like the sun at 0800 or 0900 in the morning. Our hopes are placed in you." How should contemporary college students act in order to live up to the hopes of the party and the people, and become the upright and useful persons needed by the times? Every student must seriously consider this and make a correct choice. On the occasion of the 55th anniversary of the December 9th Movement, I would like to give to students my own views on this question.

I

Since ancient times, "the worthy and the able have all been produced by the times." Particular times produce particular types of able persons. The times are the cradle from which able persons grow. If young people want to become the capable and useful persons required by the times, they must follow the trend of the times.

Our country is in a great period of building socialism with Chinese characteristics, achieving the four modernizations, and invigorating China. These times provide a fine social environment and various beneficial conditions in which college students can become capable and useful persons. At the same time, they also place higher demands on the fostering of capable and useful persons. The building of socialism with Chinese characteristics is a great and unprecedented undertaking. It requires a new generation of persons who have ideals, morality, and culture and who respect discipline. In order to shoulder this great historic task of building socialism with Chinese characteristics, contemporary college students must not only master knowledge of modern science and culture, but must have long-range ideals and aspirations, a firm political stand, socialist convictions, noble moral sentiments and a spirit of devotion. In brief, they must have both morality and ability and be both Red and expert. How can one become such a person? Since "May 4th" and "December 9th," the historical road taken by China's intellectuals has provided valuable inspiration for contemporary college students. This is what Comrade Jiang Zemin pointed out in a speech at the meeting of youth in the capital to celebrate "May 4th": The correct road for healthy growth by our country's intellectuals is, under the leadership of Marxism-Leninism and Mao Zedong Thought, to integrate with practice and integrate with the workers and peasants. This conclusion from history has already been proven by the practice of tens of thousands of revolutionary intellectuals. Since "May 4th" and "December 9th," great persons of the

times, such as Li Dazhao, Mao Zedong, Zhou Enlai, Liu Shaoqi, and other proletarian revolutionaries of the older generation; Lu Xun, Guo Moruo, Mao Dun, and other writers, famous in China and abroad; and scientists such as Li Siguang, Qian Xuesen, and Hua Luogeng; as well as many others who realized outstanding achievements, were able to create and make contributions in their respective fields, and achieve immortal feats in strengthening the motherland and enriching the nation, because they continually advanced along this correct road. Those who went against the current of the times, did not accept the leadership of Marxism-Leninism and Mao Zedong Thought, and did not take the road of integrating with practice and integrating with the workers and peasants, not only did not achieve anything, but were eliminated by the times. In the political disturbances of spring and summer last year, the very small number of so-called "members of the elite" who planned the turmoil and counterrevolutionary rebellion, were such persons. Thus, if contemporary college students want to become capable and useful persons worthy of the times, give play to their aspirations in the great cause of invigorating China, and requite their lofty ideals, then under the new historical conditions they should strongly bring into play the revolutionary spirit of "May 4th" and "December 9th," follow in the footsteps of the older generation of revolutionary intellectuals and advance together with the times.

Contemporary college students were born under the Red flag and grew up nurtured by the brightness and grace of the party. They have many merits and strong points. They have lofty aspirations to scale new heights in science and technology, patriotic zeal for serving the motherland, great aspirations to promote reform and invigorate China, and an ambition to contribute to modernization. Further, they study hard, are lively in thought, sensitive to new things, rich in vitality, full of initiative, brave in struggle, and daring in exploration. However, it must be said that they also have weaknesses and deficiencies—they are insufficiently familiar with Marxism-Leninism and Mao Zedong Thought and they lack social knowledge and practical experience. Thus, they are not very mature politically, and their ideas are often one-sided, and they easily go to extremes in their words and actions. It is these weak points that led to some students losing their orientation and being unable to distinguish right from wrong during the political disturbances last year. Thus, they were taken in by a few people who had ulterior motives and did some things and committed some acts which caused friends to wince and enemies to celebrate. As for those students who, not fully understanding the true situation, said some wrong things and did some inappropriate things, we must enthusiastically and seriously help them to raise their understanding. As long as they recognize their mistakes, we will be happy to accept them. However, summing up these lessons shows us that, if contemporary college students are to become successors to the socialist cause in which the party and the people have placed their

hopes, they must place stress on studying Marxism-Leninism and Mao Zedong Thought, and place stress on integrating with practice and integrating with the workers and peasants. This is the enlightenment of history and also the call of the times. All college students who have resolved to become capable and useful persons should firmly and unwaveringly choose this correct road.

II

Marxism-Leninism and Mao Zedong Thought are the guides to action in revolution and construction, and are also the guides to action for contemporary college students, in becoming capable and useful persons.

Contemporary college students are situated at a critical period in socialist modernization. In throwing themselves into the great cause of modernization and taking on the historical mission of invigorating China, the tasks they face are extremely arduous. Promoting socialist modernization and building socialism with Chinese characteristics requires that we continue to combine the universal truths of Marxism with the realities of China. It requires that, under Chinese conditions, we combine the socialist system and modern science and technology, continually increase labor productivity, and gradually reduce the economic disparity between our country and developed countries. We need to raise the ideological, moral, scientific, and cultural qualities of the whole nation and build socialist spiritual culture. We need to raise the democratic attainments and understanding of the legal system among the whole nation, promote the building of socialist democracy and of a socialist legal system, and so on. All of these requirements put forward many complex problems which require resolution. For example: How do we, proceeding from the basic fact that our country is still at the primary stage of socialism, better combine, in concrete practice, adherence to the four cardinal principles and adherence to reform and opening up? How are we to correctly understand and implement the principle of combining the planned economy and regulation through market mechanism? How are we to correctly understand and handle the relationship between promoting reform and maintaining stable development? How are we to implement the principle of simultaneous grasping of material culture and spiritual culture, and greatly strengthen the building of spiritual culture and ideological and political work? How are we to further improve and develop socialist democracy and the socialist legal system? How, in the new historical conditions, are we to strengthen party building? How are we to foil the plot of "peaceful evolution" being hatched by the West? And so on. These are real problems which our country faces in socialist modernization and also historic questions faced by the international communist movement. How are we, theoretically and practically, to resolve these problems well? It is insufficient to rely on just one or two fields of knowledge or to rely on just book knowledge. Seen from the practice of the international communist movement, there is no ready-made answer, no ready-made model or experience which can be used. We can only explore and

select the correct road by seriously studying the national situation of China under the theoretical guidance of Marxism. It is clear that any contemporary college student who wants to display his talents to the full and make a contribution in this exploration must, at the same time as studying well in the sphere of professional knowledge, also strive to study and master Marxism-Leninism and Mao Zedong Thought. Only thus will they be able to shoulder this heavy task and become the sort of up-to-standard, capable, and useful persons needed in socialist modernization.

It must also be recognized that at present we are in a complex international situation. Although peace and development are still the two major currents in the world, at the same time as the international situation is heading toward detente, the changes are more turbulent and complex. The plans and actions of international hostile forces to overturn the socialist system have not ceased. Since the repeated defeats of armed intervention, they have strengthened implementation of the strategy of "peaceful evolution" and placed their hopes in the younger generation. They have engaged greatly in ideological infiltration and used capitalist political models, economic models, value concepts and degenerate lifestyles to seduce and corrupt our younger generation, in an attempt to guide the youth of our socialist country into depraved ways and into becoming political tools for "peaceful evolution." If college students want to see through the "peaceful evolution" plans of the hostile forces, truly build a great ideological wall of opposition to "peaceful evolution," and become firm and capable successors in which the older generation of proletarian revolutionaries can place their hopes, they must seriously study and master this political "telescope" and "microscope." Then, faced with this complex, ever-changing international situation, they will maintain sober minds and be firm in their socialist convictions, carrying out to the end the great cause started by the older generation of proletarian revolutionaries, so that the red flag of socialism always flutters over China. This is the responsibility which history has given to contemporary college students. Only by firmly studying Marxism-Leninism and thereby mastering sharp weapons with which to oppose "peaceful evolution," will they be able to stand in an invincible position and ensure that the socialist system long maintains its youth and vigor.

Contemporary college students are at the stage when their world view, view of life, and value concepts are still being formed. At this stage, whether or not they can establish a correct world view, view of life, and value concepts in accordance with the demands of the motherland and the people, is vitally important to the future of the healthy development of contemporary college students. If they want to achieve this, they must not divorce themselves from the guidance of Marxism. Marxism, as the highest achievement up to now in mankind's development, and as our guiding ideology and scientific world view and methodology, will play a guiding and educational role, which no other intellectual

education can replace, in guiding college students to establish correct ideals and faith, spiritual pursuits, value orientation, and goals of struggle. However, this world view and methodology cannot be formed spontaneously. As Lenin pointed out, socialist ideological consciousness cannot emerge spontaneously. Rather, we must rely on inculcation. However, stressing inculcation does not mean that we do not have to stress ways and means, or that we can engage in the practice where one talks and the other listens. Rather, it must be positive, conscious guidance and voluntary study and acceptance. Only if contemporary college students, at the same time as actively participating in social practice, seriously study Marxism, will they be able to gradually establish a correct world view, correct view of life and correct value concepts, and thereby lay a firm base for becoming capable and useful persons. Otherwise, not only will they not be able to become the up-to-standard, capable, and useful persons required by our times, but they will deviate from the correct track of life. Over the last few years, because they have lacked a basis in Marxist theory and an ability to discriminate, a few students have been influenced by the bourgeois view of life and value concepts and ideas and actions such as considering money supreme, seeking ease and comfort, being without aspirations and worshiping and yearning for Western capitalism. This demonstrates the point quite clearly. It can be seen that contemporary college students' positive pondering on life and seeking of truth are desirable, but if there is no guidance from the scientific force constituted by Marxism, it will be quite easy for them to be seduced by an ideological tide which flaunts the flag of science and which appears to be correct but is not, and this will affect their healthy growth. Only by seriously studying and mastering Marxism-Leninism and Mao Zedong Thought, establishing a proletarian world view and view of life, and using these as standards in our lives, will we be able to develop healthily and become the up-to-standard, capable, and useful persons required by the times.

For quite a time now, because of the mistakes in our ideological and political work and the influence of bourgeois liberalization, Marxism has been looked on lightly, and the practice among college students of studying Marxism has been weakened. Some Western political ideologies such as existentialism, humanism, pragmatism, and irrationalism have spread widely and have gained respect. This is an extremely improper and dangerous phenomenon and this has, to a large degree, led to ideological chaos among college students. This situation should be changed as quickly as possible. We must form among contemporary college students a practice of seriously studying Marxism-Leninism and Mao Zedong Thought, raise their capacity to distinguish right from wrong, and clear away the influence of various mistaken ideological tides. This will have a great promotional effect on the healthy development of contemporary college students.

III

Throwing oneself into social practice and integrating with the worker and peasant masses has, since the May 4th Movement, been the correct road by which China's revolutionary intellectuals have achieved healthy growth. It is also the road which contemporary college students must follow in becoming capable and useful persons.

Throwing oneself into society and integrating with practice and especially integrating with the workers and peasants is a pressing demand if one is to understand China's national situation. Comrade Mao Zedong said, "Understanding China's national situation is the basis upon which to understand all the questions of the revolution."¹ The revolution was like this and construction is also like this. If contemporary college students are to shoulder the historical task of building socialism with Chinese characteristics, properly perform their "role" in modernization, and bring into play their intelligence and abilities, an extremely important issue is that they must have a correct understanding of the national situation. This is a basic demand. Regardless of what cause they participate in or which work they shoulder, in all of this they will require a deep understanding and mastery of the national situation. This is a basic demand. Regardless of what undertaking they participate in and which work they shoulder, in any work they will require a deep understanding and mastery of the national situation. Only in this way will we be able to build our ideals and zeal on the basis of the real national situation. We must not act in ways that are divorced from reality or transcend reality as, thereby, fine hopes will bring opposite results and may even produce harmful effects. To this end, we must participate in social practice and place ourselves among the worker and peasant masses. If we shut ourselves up in classrooms and on campuses all day, will we be able to understand the history and present situation of the country? In such a situation, how will we be able to bring into play our knowledge and abilities, and how will we be able to make our due contribution in the practice of modernization? Although college students do obtain figures and ideas about the national situation from their books while they are at school, this is far from sufficient. Only by going deep into practice and deep among the workers and peasants will these figures and ideas be raised from the abstract to the specific, and will the students obtain a real, intimate feeling and thereby be able to deepen their understanding of the national situation, understand the real course of current reforms and construction and through practice, clearly understand the mission they shoulder, and keep pace with the progress of the times.

In general, college students gain their knowledge from books and the classroom. In integrating this knowledge with practice and applying it in reform and modernization, it is necessary to use it in practice and apply it repeatedly. It should be recognized that the development of man's understanding and the attainment of knowledge involve a process whereby perceptual understanding is

raised to rational understanding. Rational understanding obtained without perceptual understanding is often incomplete. Hegel said that the same maxim spoken by a young person, even one who understands it completely and correctly, does not have the same meaning and breadth as when it is spoken by an adult with wide experience. Here, he is stressing this same truth. When one studies science and engineering, if one does not come into contact with the machinery and equipment and does not integrate with productive labor, or if one studies the humanities or management and does not go deep into society and does not throw oneself into seething life, it will be difficult to have a deep understanding of the knowledge one has gained, and much less will one be able to blaze new trails and make new contributions. If any bright and intelligent person relies just on his abilities and divorces himself from practice, his abilities will inevitably end up being a river without a source or a tree without roots. If a large number of scientists such as Deng Jiaxian, Wang Ganchang, Hua Luogeng, and Qian Xuesen had not left their sweat in the Gobi Desert or their footprints to the north and south of the Chang Jiang, there would have been no achievements such as the atomic bomb, the hydrogen bomb, nuclear submarines, or satellites. Without innumerable folk tales, folk songs and folk rhymes, Pu Songling could not have written *Strange Tales of Liaozi* and Li Bai and Du Fu could not have written their poems, which have ensured them of reputations which will last for a hundred generations. Thus, only by throwing themselves into practice and among the workers and peasants and thereby more closely combining their book knowledge with social practice, will contemporary college students be able to overcome the limitations of book knowledge, enrich and deepen their understanding of knowledge, and temper and increase their skills. As Lu You, a poet of the Southern Song dynasty said, "That which I learned from books, I have eventually found to be shallow. To really know something, one must experience it personally." This has been proved by the personal experiences of many college students.

Demanding the realization of one's own value and bringing one's own role into play is a manifestation of contemporary college students' positive initiative and thirst for becoming capable and useful persons. This is worthy of admiration. However, the crucial question is how we are to achieve this. The only possible answer is to throw ourselves into social practice and integrate with the worker and peasant masses. Only if one engages in social practice and tramps the soil of reality, gains a deep understanding of the workers and peasants, and breathes together with and shares the fate of the worker and peasant masses, will one, at the same time as understanding society and understanding the workers and peasants, understand oneself and understand the true essence of life and values. Thereby, one will be able to look at oneself correctly and properly arrange the relationship between oneself and society and between oneself and the workers and peasants. Socialist modernization is an undertaking of the whole body of people and it

cannot be achieved without the participation of intellectuals. However, in socialist modernization, the masses are the main entity in practice. If young intellectuals want to do something and realize achievements, they cannot divorce themselves from the practice of the workers and peasants. Only if, in the process of throwing themselves into social practice and integrating with the workers and peasants, they are good at studying from the masses and serving the masses, are good at obtaining new knowledge from the vital creative labor of the masses, are encouraged by the affirmation and praise of the masses, merge their own strengths with those of the people, link their own individual goals with the goals of social progress, and link their own individual ideals with the motherland's prospects, will they be able to obtain inexhaustible strength for progress, fully bring into play their own role, realize their own value, and mold a fine image of college students. Nothing can be achieved if they do not integrate with practice and with the workers and peasants, do not draw nutrition from the worker and peasant masses, and do not rely on the achievements of those in the past and of other persons.

In the last few years, there has been an idea that, while it was necessary for intellectuals to participate in social practice and integrate with the workers and peasants during the period of democratic revolution, in today's period of socialist construction, this is no longer appropriate. This has produced a phenomenon among a few students whereby they are divorced from reality and worship empty talk. Even the ideas of "elite politics," which ignore practice, look down on the workers and peasants, and look down on the laboring people, have appeared. This is intolerable. The experiences of history tell us that it is extremely necessary for college students to integrate with practice and with the workers and peasants. In 1893, in a letter to a conference of representatives of international socialist university students, Engels looked forward warmly to the emergence from among them of a "proletariat of mental labor." This proletariat of mental labor would, together with its physical labor worker brothers, form a contingent and, shoulder-to-shoulder, they would play a great role in the revolution. It is hoped that our contemporary college students will be able to become such a "proletariat of mental labor."

IV

Studying Marxism-Leninism and Mao Zedong Thought and integrating with practice and with the workers and peasants is a major matter on the road by which contemporary college students are to become capable and useful persons. It is not sufficient just to read a few books on Marxism-Leninism and to participate in a few activities of social practice. The major thing is to adhere to this orientation and to unwaveringly persist in traveling this road for a long time to come.

We must correctly handle the relationship between the study of Marxism-Leninism and the study of specialized knowledge. Specialized knowledge is undoubtedly very

important in the process by which college students become capable and useful persons, and they should put great effort into studying this aspect well. However, this does not contradict the study of Marxism-Leninism but, in fact, forms a unity with it. This is because, as far as contemporary college students are concerned, the study of specialized knowledge and the study of Marxism-Leninism are both intended to make the students more capable and useful persons for socialist modernization. The study of Marxism-Leninism not only can firm our correct political orientation, raise our capacity to analyze and resolve real problems in modernization, and help us to establish a correct view of life, value concepts, and world view, but can also provide methodologies and spiritual motivation and guidance for studying specialized knowledge and thus aid in the study of specialized knowledge. Of course, the study of specialized knowledge can also promote the study of Marxism-Leninism and deepen one's understanding of Marxism-Leninism. Thus, we cannot place study in these two aspects in opposition. Rather, they should harmonize with and promote each other. The study of Marxism-Leninism does not involve memorizing a few paragraphs or sentences. Rather, it involves mastering a Marxist stand, viewpoint, and methodology and using these to analyze and resolve problems. Thereby, we will be able to raise our capacity for theoretical thought. The study of Marxism-Leninism is also not purely the reception of knowledge. Rather, it should be combined with the transformation of our ideas and world view, and involve the establishment of Marxism in a guiding position in our mind. Over the last few years, we have not emphasized transforming our ideologies and transforming our world view. It was as if any such proposals were "leftist" things. Actually, seen from the relationship between the subject and the object, every person needs transformation, and there is nothing wrong with such advocacy. At present, the main focus in the study of Marxism-Leninism should be the proper study of Marxist philosophy and the use of dialectical materialist and historical materialist viewpoints to deepen our understanding and cognition of socialism. We must adhere to the principle of linking theory and practice and combine everyone's ideas with the study of the real problems faced by socialist modernization at present. Through study, we will further strengthen our faith in socialism.

We must also correctly handle the relationship between learning from books and learning from practice and from the workers and peasants. These two aspects of study are both very important and indispensable in the process by which students become capable and useful persons. As Lenin said, "Neither teaching and education divorced from productive labor nor productive labor without concurrent teaching and education can reach the high level demanded by modern technology and the present situation of scientific knowledge."¹² Thus, we must handle the relationship between these two aspects properly. During their time at college, the students should, on the one hand, study book knowledge well so as to lay down a firm professional base. On the other hand, they

must actively participate in productive labor and activities of social practice, so as to overcome the phenomenon of book study in a vacuum, tightly combine books and practice, and use the big classroom of social practice to supplement their book knowledge. Participation in social practice cannot end at the superficial level, with only formalistic participation. Likewise, one should not just look at the surface phenomena and fail to see the essence. Rather, we should go deep among the worker and peasant masses, go deep into swirling life and constantly changing practice, do penetrating study, personally participate in productive labor, and grasp materials first hand. In particular, we must throw ourselves into the great current of the times, which are reform and construction and, in vibrant life, understand reform, come to grips with reform, get close to reform, and strengthen our understanding of the national situation. In social practice, we must earnestly respect the workers and peasants as teachers; be willing pupils; and study the arduous struggle, self-reliance, capacity to stand hardships and undertake hard work, pleasure in giving of themselves, firm discipline, concern for the whole situation, and other such ideological styles and noble qualities of the worker and peasant masses.

As to how to integrate the study of Marxism-Leninism and Mao Zedong Thought with practice and the workers and peasants, over many years, we have found some good methods and forms, and students have also done some beneficial exploration. For example, they have organized groups for reading Marxism-Leninism and Mao Zedong Thought and arranged participation in summer holiday social practice, and so on. Such methods should be maintained. All areas of society, especially the party and Communist Youth League organizations in institutions of higher education, should provide strong support in this respect. They should proceed from the high strategic level of fostering up-to-standard successors to the proletarian revolutionary cause, give great stress to this work, provide positive guidance, and implement this in a painstaking way. We must firmly strengthen the building of political theory classes and the organization of social practice activities, so as to create beneficial conditions by which college students can study Marxism-Leninism and Mao Zedong Thought, throw themselves into practice, and combine with the workers and peasants. We should also formulate necessary systems and policies of reward and encouragement, so that such measures are regularized, systematized, and maintained for a long period.

Students, the times need capable and useful persons and the party and the people are eagerly looking forward to you soon becoming such persons. As long as you seriously study Marxism-Leninism and Mao Zedong Thought, actively throw yourself into social practice and integrate with the workers and peasants, you will indeed become the up-to-standard, capable, and useful persons required by the times for socialist modernization. "On the Chang Jiang the surging waves from the rear push past the waves before them, and a generation of new

persons replaces the old." It is hoped that you will surpass your teachers and realize greater achievements than the generation which preceded you.

Footnotes

1. *Selected Works of Mao Zedong*, Single volume edition, p. 596.

2. *Collected Works of Lenin*, Volume 2, p. 413.

Create Better Conditions for Intellectuals To Grow Healthily, Make Contributions, and Establish Themselves

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[Article by Hun Zuzhi (5170 4371 2535)]

[Text] During the May 4th Memorial Lecture for Youth in the capital city, Comrade Jiang Zemin said, "The success of our work depends a lot on whether our intellectuals are able to take full initiative and be most creative. This is also an important criterion for judging the quality and the art of our leadership." That is to say, during this new historical era, the task of taking care of intellectuals is an important and strategic task for the whole party. After the Third Plenary Session of the 11th CPC Central Committee was held, our party drew up a series of policies. The themes of these policies are respect for knowledge and talent and an absolute confidence in intellectuals and dependence on them. These policies are based on a scientific understanding of socialism and intellectuals. These policies will not be, nor were they ever, altered by an occasional political disturbance. Marxism recognizes that science and technology are elements of productivity. Especially now, the impact of science and technology on the development of social production is increasing. Science and technology has become the number-one enhancer of productivity. Building socialism with Chinese characteristics means that we must improve the construction of material civilization as well as the construction of spiritual civilization. This is to say that we must work on improving our cultural and ideological construction. Intellectuals are the important people who inherit and propagate human knowledge of science and culture. They are the ones who develop progressive scientific technology and create beautiful spiritual products. They belong to our working class who have to do mental labor and are a major force in the building of socialist modernization in our country. During this new historical era, we must carry out party policies concerning intellectuals. We must take good care of them and give them a better environment so that they can fully utilize their intelligence and express their creativity. For national development and for the benefit of the people, we must act accordingly. This is the most urgent demand in our time.

The party has both positive and negative experiences in the area of handling intellectuals. Over and over again, our experiences in history and in reality have taught us

that only when we make an essential evaluation of our intellectuals and set up basic policies that are comprehensive, correct, and scientific, can we properly take care of intellectuals as well as avoid improper ideological interference from both "leftists" and rightists. At the beginning when our nation was founded, the party established guidelines to "unite, educate, and reeducate" intellectuals. These guidelines were established on the fact that most intellectuals grew up in the old society and that we needed them to build a new country. The situation in 1956 was different. It changed when we achieved a decisive victory in socialist reeducation. The party Central Committee correctly pointed out that the majority of intellectuals had already become members of the working class. The fact that the party had taken proper positions and good measures greatly encouraged and promoted the development and progress of intellectuals. They made tremendous contributions in various areas of work and helped create and build New China. However, beginning with the last years of the 1950's, the party gradually deviated from the correct standpoint in its treatment of intellectuals; it began to make "leftist" errors. By the time of the Cultural Revolution, these errors became enormous and matters went to extremes. This caused irreparable damage to the revolution and to the building of socialism. After we destroyed the gang of four, the party corrected this serious "leftist" mistake in the Third Plenary Session of the 11th CPC Central Committee. The party exposed the crimes against intellectuals that were committed by Lin Biao and the gang of four, and reestablished the fact that the majority of intellectuals were members of the working class. The party's policy toward intellectuals returned to the right track of Marxism. Our intellectuals were greatly encouraged. Their boundless energy and enthusiasm were the cause of many outstanding achievements.

In retrospect, we found that, while we were busy correcting our "leftist" tendencies during the last few years, we had ignored the growth of rightist tendencies. We were slack in the area of ideological and political work. We did not try to resist the invasion of bourgeois liberalization. Some party apparatuses were so weak and disorganized that they were useless as the defensive front line. They were too timid to criticize any wrong ideology or to correct improper tendencies. Some party organizations were very confused and did not know how to distinguish right from wrong. Others did not see the development of wrong ideology, or if they did, they just ignored it. At times, these apparatuses even encouraged, protected, and promoted the people who advocated liberalization. They created difficulties for those good comrades and tried to dissuade them from upholding the four cardinal principles. As a result, the progress of intellectuals was somewhat slowed down and their enthusiasm dampened somewhat.

At the Fourth Plenary Session of the 13th CPC Central Committee the party took a series of significant measures. The party continued to uphold the four cardinal principles and to oppose bourgeois liberalism. Since then

the situation has completely changed. On the 40th anniversary of our National Day and at the lecture in memory of the 71st anniversary of the May 4th Movement, Comrade Jiang Zemin gave a summary of our achievements in the 40 years and explained what significant experience we had gained from the last 10 years of reform. After these lectures, we had a clearer and deeper understanding of the correct way of handling intellectuals. We must properly summarize our historical experience and learn our lessons from them. When we try to define the role, function, and historical mission of the intellectual in the process of building socialist modernization, we must always refer to the party's line of one center, two basic points; and we must remember that our purpose is to build a strong socialist country with Chinese characteristics. We must conscientiously try to overcome any "leftist" temptation and rightist influences. We should try harder to uphold the party's basic evaluations and basic policy on intellectuals, and to have a scientific understanding of the objective principles behind the job of caring for intellectuals. This is the latest job description set for those who are responsible for taking care of intellectuals.

Our intellectuals yearn to dedicate themselves to the prosperity of the country and the vitality of the nation. Their greatest demand is that society recognize and respect their work. The government and all the party committees have the responsibility to make intellectuals feel appreciated and to provide the environment for them to fulfill their wishes. At present, there are certain matters and relationships which must be understood and dealt with correctly.

First, we must properly handle the relationship between political confidence, noninterference in work, and educational improvement. Intellectuals are members of the working class. They are a necessary and vital source with a historical mission. This is the theoretical foundation for the party's most contemporary policy on intellectuals. We must have political confidence in our intellectuals and give them a free hand in their work. It is a mistake not to include them as members of the working class, or to alienate them from the cause of socialism. This attitude is harmful to the cause of socialism. This will not contribute to the development or to the value of our intellectuals. We must object to this behavior and work hard to clarify misunderstandings. It is our job to uphold the correct concept of intellectuals being members of working class, and continue to strengthen the unity of workers, farmers, and intellectuals. We strongly oppose excluding intellectuals from the working class or creating antagonism toward them. We do not resent intellectuals or treat them as "dissidents," nor do we allow the existence of the mistaken view that misleadingly categorizes intellectuals as an independent class of people who are above the working class. Moreover, we should maintain alert: Political confidence and respect do not mean a laissez-faire attitude. Do not forget to offer the intellectuals our help or to show our concern for their ideological education. There is no place for a

negligent attitude, an attitude opposite to genuine concern for what the intellectuals want. The essence of our belief in including intellectuals as members of the working class is that they should uphold the position of the working class and conscientiously share a historical mission and responsibility with workers. As members of the working class, intellectuals should feel like their own masters and have a sense of responsibility to their government and nation. They should believe strongly in socialism, consciously accept the party's leadership, and work hard to study Marxism-Leninism-Mao Zedong Thought. While they must try to change the objective world, they should also work on changing their subjective world so they can be both Red and expert. This is the essence of being a member of the working class, and this is also the answer to the challenge from the objective environment. Right now there is a heated contest between the two systems in our world. Ours is the time of reform and openness. When we import various advanced foreign technology and management experience, various schools of ideology will unavoidably also enter our door. At the same time, international reactionary forces have not slowed their campaign to advocate "peaceful evolution" in China. To cope with this situation we must be extremely alert. We must learn to separate right from wrong and distinguish good from bad, and consciously increase our immunity by firmly upholding the four cardinal principles. The struggle and the antagonism between the four cardinal principles and bourgeois liberalization will prevail through the entire beginning stage of socialism. Our experiences tell us that every time we relax our vigilance and fall behind in our ideological and political duties, every time we ignore the education of the four cardinal principles and loosen the resistance and struggle against bourgeois liberalization, socialism will be in danger of corroding, crumbling, and being overturned, and individuals will probably end up losing their sense of direction and go the wrong way. This is why building socialism in the new era requires us to improve our education and consciously change our subjective world. This is everyone's task. This is the only way to safeguard proper progress in the four modernizations and to carry out the reform and open policy.

The intellectuals in this country love their motherland. They are loyal to the people and their hearts are with the party. They understand very well that they can contribute more to the motherland only if they follow the party's leadership and march in tune with the people. The intellectuals who are now middle-aged or older recognize what this is all about. They have cooperated with the workers, farmers, and masses for a long time and have given a lot of input to the country. They have contributed a great deal to the socialist revolution and the socialist cause. Our young intellectuals are the hope of the party and the country. But they do not have experience or training. Politically they are still immature. They should be more open-minded and learn from the intellectuals who are their seniors and consciously accept the teachings of the party and the people. They must persevere in their effort to stay with the workers

and farmers. They should build up their stamina through ideology and practice. For the development of China, they should keep on studying so they can continue to improve ideologically and professionally and so they will be able to satisfy the high demands in the new environment of building socialist modernization.

Second, we must be careful in balancing the relationship between enthusiastic support and strenuous demands. Our intellectuals follow the glorious patriotic tradition. They feel strongly about their responsibility and participation in national progress and social development. This is especially true in the present national environment of great reform. Many young intellectuals, armed with their ideals, want to become pioneers. The party has always been enthusiastic and supportive of idealistic and patriotic intellectuals. The party encourages them to get into the torrent of developing China, to achieve success, and to have an impact. The future strength of our nation and race depend on them. However, if we discover the shortcomings of these young intellectuals and learn that they are not doing their work adequately, do we not need to uphold our principles and ask them to meet our strenuous demands? Do we deny the value of intellectuals by asking them to meet certain standards? This question used to have a simple answer until recently, when some people confused the issue and made it complicated. These people thought that they should say yes to whatever activities young students wanted. They supported and agreed to everything. They thought that was the way to show concern, love, and understanding, and that they were "enlightened, open, and full of the reform spirit." Anyone who criticized people for not noticing the weaknesses and problems of youth would be put down. The people who criticized were scolded because they did not care, love, or understand young people. They were said to be a conservative and ossified bunch, and their actions were seen as punitive and suppressive. Meanwhile, there was a small group of people stubbornly hanging on to the bourgeois liberalization position. These people had an ulterior motive when they lavishly flattered the university students and called them "elites," "natural leaders of tomorrow," and said these students were "enlightened" and provided "leadership." These people poisoned the younger generation with the Western capitalist viewpoint and value system. They hoped to tempt young people into betraying the four cardinal principles, to lure them toward democratic individualism, where they would become the tool of capitalism. We must thoroughly expose this evil intention. Young people must be made to understand that to be strict with them is to love them, and to flatter them is to harm them. Flattery will only make them feel dizzy; it has no positive value at all. On the other hand, if a person continues to improve his ideological understanding and academic standards in order to meet strenuous demands, he will be a useful person for his country and will succeed in helping his people, his nation, and science itself. We have an obligation to be supportive and enthusiastic about our intellectuals. At the same time we must not ignore their

shortcomings. We must clarify for them their ideological misunderstandings, guide them so they can learn from their past mistakes, help them slowly establish a correct philosophy of life, and improve their level of theoretical training and ideological understanding. This way, they will consciously resist the invasion of any corrupt ideology such as bourgeois liberalization. This will expedite their political maturity. They will be patriotic while staying on the correct political path. They will yearn for democracy, as well as democratic qualities and the sense of legality. They want progress and they want to be pioneers, but at the same time they will be practical and introspective. They have great ambition, but they will start from the bottom and endure hardship. When we create a new generation of socialists who are healthy, idealistic, cultural, and disciplined, then we can say that we genuinely love and care for our intellectuals.

Naturally, when we say strenuous demands, we mean the demands of following principles and direction, and in distinguishing between true and false. Our attitude must be serious and we should not allow any leeway. But that does not mean we should be stuck with simplified and rigid rules, in particular we should not pick on every small detail and make everyone nervous. We should be serious and attentive as well as lively and vigorous. We are warm and caring and provide guidance, at the same time, we have high standards and make no excuses. We want to create a good environment for intellectuals to improve, work, create, and explore freely.

Third, we care about how intellectuals live. At the same time we want to advocate hard work and a dedicated spirit. The livelihood of intellectuals has obviously improved since the Third Plenary Session of the 11th CPC Central Committee. There are many reasons why intellectuals' wages are still too low. In particular, intellectuals who are middle-aged shoulder heavy burdens both at work and in their lives. Their health standards get lower and lower and they die in their prime. What makes the present situation worse is that their incomes have become much lower when compared to the incomes of some private entrepreneurs and self-employed workers. This unfairness in social distribution is manifested in the sayings of "better to sell tea-leaf eggs than be an atomic specialist" and "holding a barber knife is preferable to holding a surgical knife." This unfair phenomenon has managed to dampen the enthusiasm of intellectuals. Our intellectuals have always worked hard. Their dedicated spirit is world-famous because they work only for the benefit of the party and the people. This is why we must protect this spirit and why we are determined to take effective measures to solve the problem of unfair social distribution. We need to expedite the development of productivity and gradually raise the living standards of intellectuals and of all the people. Intellectuals have some other problems that they hope we can solve as quickly as possible; we should do so, if we can find the solution after some effort. Experts and scholars who have made special contributions should be the first people to have better living conditions. The key

to this issue is the phrase "after some effort." Some of their wishes and requests, when we first hear them, sound impossible to fulfill. Yet, if we use our brains, try different methods, use every existing means, and work at solving the problem, we will be able to satisfy some of these requests. The point is we must take the initiative. Some people, as soon as they hear that the intellectuals are asking for help, will immediately shake their heads and sigh. This is too passive an attitude and is also incorrect. We must understand that it is necessary to provide intellectuals with a good living environment. When they are energetic and relaxed, they will work better and contribute more to the construction of the material and spiritual civilization of socialism. This is totally in line with the fundamental benefit of our people. We should make sure everyone understands the reasoning behind this argument. At the same time, we must explain to everyone the difficulties our government faces and the complexity of finding the solution for the problem of unfair social distribution. This is to help the intellectuals understand that it may take a while before we can find our way out, and that everyone in the whole society, including every intellectual, has to pitch in and help. If, the difficulties of the situation remain unchanged after much effort from the party and the government, we should explain this clearly to the intellectuals. We believe they will understand and forgive us.

To the intellectuals, we must show our concern and work actively to improve their living and working environment and to raise their salaries. At the same time we must advocate the spirit of hard work. In the past we have advocated the Yanan spirit, Lei Feng spirit, and the Iron Man spirit. We have read about the progressive lives of people like Jiao Yulu. Thousands of intellectuals have managed to overcome obstacles and achieve success. After the Third Plenary Session of the 11th CPC Central Committee, the lives of certain excellent intellectuals, such as Jiang Zhuying, Luo Jianfu, and Luan Fei, were made known to us. Their stories have inspired thousands upon thousands of intellectuals to work for the development of China and the success of the four modernizations. It has long been a custom in our society that we are proud to be with the workers and farmers, and that we are proud to serve the people wholeheartedly. This has been an effective custom that helps intellectuals grow healthily. Today, we advocate the spirit of hard work, particularly when we are struggling to accomplish the socialist modernization program. Participating in a modernization program is somewhat different from reconstructing the country after a period of war. This means that it is no longer necessary to prepare ourselves to die. Still, there are many difficulties and obstacles that must be conquered and numerous tiresome jobs that need to be done. We need people to get out of the cities and go to the border areas and the countryside, to the mountains and the wilderness, to the deserts and forests, inside mines and caves, and to the ocean and swampland. We need people to develop and to create. Without thousands of people who can work hard,

who are willing to suffer, and who are tireless, we will not be able to achieve great successes and score glorious victories for our cause.

Fourth, we must handle correctly the relationship between respect for knowledge and intellectuals, and respect for practical work, workers, and farmers. Marxism is the product of class struggle in capitalist society. It also summarizes the experiences of the workers' movement. Marxism is also the result of selective absorption of several thousand years of human and cultural knowledge. We must first master our culture and knowledge before we can systematically understand and grasp the meaning of Marxism. Especially now that we have to work for socialist modernization, we should continue to select and absorb new knowledge and new discoveries of modern scientific culture. And the purpose of this learning is to turn knowledge into a gigantic materialistic power. As we can see, communists must follow the tradition of respecting knowledge. This is a good tradition as well as a requirement of modern society. Unfortunately, for a fairly long historical period, the differences between mental and manual workers will remain, and intellectuals will still be the only people who have scientific and cultural knowledge and who can work with their brains. Intellectuals are valuable property of the nation and should be respected by society. We must continue to uphold and carry out the party's policy on respecting knowledge and talents and should try to promote this policy into a social custom.

While we promote knowledge and intellectuals, we must also be careful in dealing with the aspects of practical work, workers, farmers, and the masses. Our country is organically united in the fact that we combine respect for knowledge and intellectuals with respect for practice, workers, and farmers. The essence of our belief is based on the fact that we must wholeheartedly depend on the working class and that the connection between knowledge and labor is strong and intimate. The bonds among the members of working class are defined by the characteristics of socialism and the necessity of building socialist modernization. By definition, the establishment of the socialist system of public ownership requires that workers, farmers, intellectuals, and other laborers become the masters of their country. Although there are still some differences among them, they share the same basic benefits. All working-class members are the creators of material and spiritual wealth for our society. The distinction among them is based merely on the social division of labor. The symbiotic existence of manual and mental labor results in social wealth. This is why both sides need to stay with each other, learn from each other, and improve together, so they can work better as a team. On the one hand, intellectuals must immerse themselves in practice, stay with the workers and farmers, and understand our national condition. They can then spread their scientific knowledge and technology among the workers, farmers, and masses. They can also make use of their knowledge and apply their knowledge to industrial production and practical work. When knowledge is

transformed into social productivity, then social productivity will be gradually raised to the high standard of modern science and technology. This is where intellectuals can place their skills and show off their talents. This is also how intellectuals can combine their power with the power of the people. Only this combination can give them the chance to practice what they have studied in science and technology; at the same time, practice gathers for them the rich experience that cannot be found in books. If they use their scientific and technological knowledge and combine it with the overall work experiences of the people, they can promote scientific and technological development even more. If they can have a more profound understanding of what the workers, farmers, and masses think and want, and absorb the rich nutrition and wisdom from the masses, they will become better people and have more respect for work and for the feelings of the workers and farmers.

On the other hand, the combining of work and knowledge can help workers and farmers better understand intellectuals. They will understand that the role and the mentality of intellectuals are irreplaceable. They will begin to truly respect knowledge and intellectuals. Workers and farmers will try to learn from intellectuals and improve their cultural standard and scientific knowledge. They will eventually become modernized and more knowledgeable. We can see that letting intellectuals work along with workers and farmers can result in mutual learning and mutual understanding. This will strengthen their bonding together. Intellectuals will grow healthily in the building of socialism and in the process of reform, fulfill their ideals and ambitions, shoulder the historical mission, and follow the right path. Meanwhile, society will also benefit from this merging of theory and practice, book knowledge and work. The distinction between mental and manual labor will disappear, and we will have a comprehensive development of new socialists. Here we must be extremely alert and watch out for the conspiracy of a small group of stubborn advocates of bourgeois liberalization. Because it is necessary for them to be antisocialist, they will adopt the viewpoint of a rightist and create antagonism between the intellectuals and the workers and farmers. They will claim that intellectuals are the "elite" of our society who stand above the workers and farmers and have independent, leading power. These conspirators will advocate that our nation "be ruled by the elite." On the surface, they raise the status of intellectuals. In fact, they just twist the relationship, manufacture hatred between the intellectuals and the workers and farmers, deny the working class, and deny the party's leadership. We shall not be taken for a ride.

The party provides leadership. Party leaders show their concern for intellectuals by establishing policies. These policies are to be carried out by all party members and cadres. Policies set the tone for ideological guidance and social trends. We may notice that certain shortcomings of the intellectuals are caused by mistakes made by party organs. Therefore, it is of utmost important that we

continue to perfect our policies and work style, raise our ideological standard, improve the quality of our policies, and perfect our leadership. A while ago some offices or departments only used professional merit as the yardstick when they were looking for cadres, evaluating experts, and selecting people to take up further study or go abroad. Political quality or tendencies of the candidates were never considered. This presented an incorrect viewpoint, which said as long as a person had the professional expertise, it did not matter much whether or not he studied Marxism-Leninism-Mao Zedong Thought. And it made no difference if he did not uphold socialist principles, ideology, and morals. We oppose "class struggle as the main point of life" and we are against empty political talk. And neither do we agree that "politics rule." But this does not mean that we can avoid politics and ignore socialist principles, patriotism, and nationalism. Let us look at another example. In the process of reforming job evaluation, some rules were set up in such a way that realistic conditions were ignored but academic reports and qualification were overly emphasized. This did not encourage intellectuals to be content with any jobs that were at the grassroots level, nor did it help promote any talented workers and farmers. Therefore, we must make further adjustments to perfect all relevant policies, procedures, and rules. As a result, intellectuals will have a comprehensive and healthy development, and we will be able to produce a better environment in which they may achieve success.

At present, many high-level party offices have included on their agenda the task of caring for intellectuals, so the latter may have healthy development, as well as good living and working conditions. This is an important task. A contact system to communicate with intellectuals has been established, a system like the one that helps us communicate with the masses. Many leading comrades have made friends with intellectuals. They hold frequent discussions and are open with each other. They listen to the opinions and questions of the intellectuals. Leaders want to understand the work and wishes of intellectuals. The leaders will sincerely accept proper criticism, and thus intellectuals will be able to oversee the party and government. From talking to the intellectuals, these comrades find out firsthand information on how the policies concerning intellectuals are being carried out. If there are problems, they will be uncovered in time, and corrective procedures or remedies will be taken. This work style is well accepted by every intellectual. However, bureaucracy and sluggishness still exist. Some problems can be solved if only the responsible person tries hard enough. There is the phenomenon of suppressing talents. These are obstacles we must try to overcome. We should also further improve our contact system with the intellectuals, pay more attention to the democratic parties and factions where most intellectuals congregate, and link all the departments that are relevant to intellectuals. This way the party can truly strengthen and improve its relations with intellectuals, and the work of taking care of intellectuals will become more regular and systematic. People will be assigned to do work in this

area and others will supervise them. The policies on intellectuals will be safeguarded by an established system. The work of caring for intellectuals will have rules and guidance to follow. Let us continue with our practical and effective work and encourage the whole society to respect knowledge and talent. We should create a democratic unity, a lively political situation, and a working environment that encourages improvement, creativity, and progress. These are essential elements for the intellectuals. They will develop healthily and will thus give their best performances. The requirement to strengthen and to improve is the goal and the core of our job of taking care of intellectuals. We must remember this well and work accordingly.

Bring the Important Role of Policymaking Research in Leaders' Policymaking Into Full Play

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[Article by Tan Shanwen (6223 4801 2429), secretary Tianjin Municipal CPC Committee]

[Text] The "Decision of the CPC on Strengthening the Party-Masses Relations," adopted by the Sixth Plenary Session of the 13th CPC Central Committee, pointed out that "we must attach great importance to and strengthen policymaking research." In carrying out policymaking research, the collective central leadership of the party, of which Comrade Jiang Zemin is the core, plays an exemplary role, and often goes down to factories, mines, rural areas, schools, and PLA [People's Liberation Army] units. On the basis of investigation and studying, it has made a series of major decisions and plans that conform to the wishes of the people. This thus plays an extremely important role in stabilizing the national situation as a whole and promoting reforms and construction, and has set a good example for us. To a local leadership, the most important point of attaching great importance to and strengthening policymaking research is to act according to the principles and requirements of the central authorities, to make policies suit local conditions, as well as people's interests, through policymaking research, and to lead cadres and the masses to do well in their work in various areas.

I. Significance of Strengthening Policymaking Research

To attach great importance to and strengthen policymaking research is a major manifestation of upholding Marxist theory on understanding and upholding the party's ideological line of seeking truth from facts. Comrade Mao Zedong said, "The cause of a commander to make correct planning is his correct determination. The cause of having the correct determination is his correct judgment. The cause of making the correct judgment is careful and necessary investigation, as well as his thinking that links together different data obtained from the investigation." This thus tells us that understanding is a manifestation of the objective world in the people's minds. Only when the thinking and understanding of the

people agree with the objective rules can we achieve our expected goals. A correct decision is just a correct manifestation of the objective existence of subjective understanding by a decisionmaker. To conduct policymaking research is, in light of the need to deal with problems through policymaking, to gain a regular understanding through careful investigations and comparison of the objective conditions, in order to work out the thinking, principles, and policies relating to our work, and to conduct further research through the actual work of giving guidance in order to constantly intensify understanding and perfect the decision. Therefore, we can say that attaching great importance to and strengthening policymaking research is the key step through which both leaders and the collective leadership materialize a conformity between subjective thinking and objective conditions and a unanimity between understanding and reality, in addition to making decisions on a scientific basis.

In the years of revolutionary war and during the period of socialist construction, our party, when making major decisions, attached great importance to investigations and research on actual conditions. Veteran proletarian revolutionaries such as Comrade Mao Zedong had made many significant expositions and set a glorious example for us. In its protracted revolution and construction, the party has formed a work line of from the masses and to the masses, as well as a fine tradition of discussing with the masses and soliciting from the masses solutions to problems and difficulties. Whenever the party was at important junctures of the revolution and construction, it particularly attached great importance to the correct lines and policies adopted on the basis of investigation and research. Following the Third Plenary Session of the 11th CPC Central Committee, our party formulated and has been implementing a correct work line, as well as a series of important principles and policies, and has made considerable success in various areas. Nevertheless, the party made mistakes and incorrect decisions when guiding certain specific work and when formulating certain specific policies and measures. Facts have shown that it is precisely because our party made correct and scientific decisions to overcome difficulties that it made continual progress in the revolutionary undertaking and in construction. More often than not, there were setbacks and mistakes because the decision was incorrect or not entirely correct. Whether or not one can summarize both his positive and negative experience gained over the years and whether his decision is correct are often closely linked to whether his investigations and research are done in an in-depth manner and whether he thoroughly understands the situation. In order to ensure that his decisions are correct and effectively implemented, he must strengthen his policymaking research, establish and perfect a democratic and scientific approach in policy-making, as well as procedures for implementation.

One reason that we particularly attach great importance to and strengthen policymaking research at present is because the situation that we face is much more complicated, and decisions we make are much more difficult.

As we are in a period of great change and development, new situations and problems in politics, economics, and our social life emerge one after another. They are so complicated and unstable that it is necessary for us to conduct in-depth research on them, so as to get an answer on the basis of integrating theory with practice. From the international perspective, there will be a long-term struggle between infiltration and anti-infiltration, between subversion and antisubversion, and between peaceful evolution and anti-peaceful evolution. On the one hand, we must unwaveringly oppose peaceful evolution, and on the other, we must open up to the outside world, as well as make friends, do business, and conduct cultural exchanges with other countries. Compared to our approach of handling matters involving foreigners before we opened up, this is much more complicated and difficult. From the domestic perspective, we are carrying out reforms of the economic structure to make it agree with the development of the socialist planned commodity economy, to gradually establish and perfect an operating mechanism that integrates the planned economy with market readjustment. Our predecessors had never handled the development of the planned commodity economy on the basis of public ownership or realized a flexible integration of the planned commodity economy with market readjustment. Thus, we have neither successful experience from which to draw lessons nor an instant model to follow. Rather, we must continuously summarize our experience and continuously conduct exploration in our practice. Judging from present circumstances, how should we promote an in-depth development of reform in the course of rectification and consolidation, and how should we do well in rectification and consolidation by acting in the spirit of reform? How can we realize the goals of rectification and consolidation and gradually ease those in-depth contradictions in our economic life, while overcoming the presently sluggish market to achieve an appropriate level of economic development? It is undoubtable that, in terms of democratic political construction, socialist democracy is essentially different from and exceptionally superior to capitalist democracy. Nevertheless, our democratic system is imperfect in various aspects. How can we perfect the socialist democratic system, and what specific steps and measures should we take? In terms of strengthening the party's construction and its ideological and political work, how should we manifest and develop its present characteristics while carrying forward its fine tradition? Simply put, there are many topics yet to be studied in an in-depth manner in order to make a correct decision.

Comrade Mao Zedong said, "If you cannot solve that problem, you had better investigate its present and past situation. Once you thoroughly understand it, you will find a solution to that problem."²² Facts have shown that many problems can be solved as long as one goes to the masses, stresses practical work, and diligently conducts research. Tianjin Municipality encountered serious difficulties in its economic work in the second half of last year. It discovered through investigation and research

that some enterprises, though facing more difficulties still achieved better economic results because they had done their work well. They said, "We live a better life despite difficulties year after year. This is mainly because we have done our work well." Furthermore, some enterprises took their current difficulties as an opportunity. They wasted no time in readjusting their product mix, developing new products, conducting staff training, and so on. Through investigation of these units, we have learned that we need to seek a common understanding in the municipality in order to solve difficulties. Therefore, the municipal CPC Committee proposed, on the basis of investigation and research, the guiding ideology of "turning difficulties into opportunities." It urged all fronts and departments to take an active attitude to deal with difficulties and to strive to do well in their work. As a result of hard work by cadres at different levels and by the masses of the municipality over those six months and more, the municipality made remarkable achievements in various areas.

Another reason that we particularly attach great importance to and strengthen policymaking research at present is because it is closely related to close party-masses relations. The masses are the creators of history and the source of wisdom and strength. Essentially, how we treat the masses is an issue involving our standpoint and our world outlook. The target of investigation and research is society and practice, whereas the subject of society and practice is the masses. Comrade Deng Xiaoping said, "If an investigation or research deviates from the experience and opinions of the masses, then not even a genius leader can carry out correct leadership."¹³ The purpose of conducting investigations and research is, first, to understand the aspirations, interests, and demands of the masses to make decisions agree with the people's interests; and second, to promptly understand the sufferings and problems of the masses to help them settle practical problems. If everyone in the whole party earnestly acts in this way, they will really win the confidence of the masses. With that, it can be sure that the party's line, principles, and policies will be smoothly implemented and that we can complete our work with expected results. On the basis of conducting comprehensive investigations and research, Tianjin Municipality annually puts forward for solution 20 practical and solvable undertakings urged by the people. The cumulative number of such undertakings has reached 150 since 1983. Today, people in Tianjin have put an end to the days when they had to drink salty water. About 90 percent of its households now use gas as fuel. It has newly built more than 24 million square meters of residential buildings. Though its population increases annually, its per capita residential area has increased from 4.4 square meters seven years ago to 6.7 square meters. Recently, there is a popular saying among the masses in Tianjin, that "both the party and the government work for the people, and the people work hard for both the party and the government," which is a vivid portrait of the situation. We must proceed from the characteristics of the current situation, the task, and the times; fully understand the

significance of strengthening policymaking research, actively and conscientiously respond to the call of the CPC Central Committee, and continuously improve our policymaking skills by going to realities and to the masses.

B. Strive To Master the Characteristics of Policymaking Research

So-called policymaking research refers to the selection of the best plan, which has worked out according to the needs of the leadership by leading cadres at different levels, consultative personnel, experts, and scholars through investigation and research on major political, economic, and social problems, to provide guidance to the leadership with respect to line, principles, and measures. Policymaking research is also part of investigation and research. However, its nature, task, and procedures are rather special when compared to ordinary investigation and research. To put it in a nutshell, policymaking research is marked by the following characteristics:

First, it has a purpose. The significance of policymaking will no longer be valid if the starting point of policymaking research does not agree with the leadership's need to solve problems. After spending a considerable amount of time on research work in certain areas, we have made achievements. Although we may publish such achievements in the press, and there is certain academic value in it, it often cannot help the leadership in its work of policymaking because we fail to firmly grasp the direction and focal point of policymaking by the leadership. Focusing on the need of the municipal CPC Committee and the municipal government to work out policies to solve major problems in the modernizations, Tianjin Municipality has, since 1983, annually given a list of major tasks to all research departments in the municipality. In all, more than 180 tasks have been identified over the past eight years. Many of these tasks were correctly selected. The object of research was also clearly defined, so that, in most cases, the achievements made were given great importance by the leadership and were adopted by it for policymaking purposes.

Second, it must be feasible. To turn the results of research into policies and social practice is the ultimate goal of policymaking research. It is impossible for any research done without this to materialize its value. Scenarios, suggestions, measures, and thinking put forward by any policymaking research must agree with reality, embody the truth, and be equipped with actual means to solve problems. They must not simply say that we "should" do this or we "must" do that, or simply remain at the level of ordinary discussions.

Facts have shown that the more practical the opinions proposed by policymaking research, the better it will help the leadership work out policies. For example, the municipality began development of town and township enterprises at a later time, and encountered numerous difficulties and problems in its implementation. A investigation team formed by the research office

municipal CPC Committee, municipal agricultural committee, bureau for town and township enterprises, and other units, acted according to the requirements of the municipal CPC Committee and the municipal government. The team conducted revolving research for three successive years and more, and put forward the work line of "developing town and township enterprises by integrating urban areas with rural ones to promote invigoration of Tianjin's economy." In addition, in light of the new situation and problems emerging each year, the team promptly put forward its thinking and measures regarding the work. On this basis, the municipal CPC Committee worked out a series of policies and arrangements, so that town and township enterprises developed in a rapid and sound way. This thus played a significant role in terms of providing corresponding large-scale industrial facilities, generating foreign exchange, agricultural production, and providing services to people in urban and rural areas.

Third, it must play a leading role. Policymaking research is research to explore the unknown, and to study the best measures. Therefore, one must not give any belated advice. In many cases, we miss the best opportunities if we do not foresee events when making policies to deal with important problems. Of course, we must make a summary after the work is done, and we should analyze and study the current situation. However, the ultimate goal of summarizing our past experience in a sober manner and correctly analyzing the reality is to foresee and grasp the prospects in a scientific manner. It is just like the common saying that a non-farsighted person must have immediate worries. In conducting policymaking research, we should think deeply and plan carefully. The future is an extension of reality. Hence, our leading research must dovetail with measures adopted for the recent period. We must have the future in mind while being based in the present, and actively explore plans to start our work. In order for research to have leading results, we must pay attention to grasping the inherent relations of ordinary phenomena and analyze possible development trends so as to foresee the future.

Fourth, it must be creative. Policymaking research is valuable for its exploratory and creative nature, and because it will put forward some informative thinking and methods. The result of research will be worth nothing if it is simply an indiscriminate copy of the experience of somebody else or is an echo of the knowledge of others. In order to make the result of research innovative, we must uphold the party's ideological line of seeking truth from facts. In the course of conducting policymaking research, we must stress the party spirit, principles, and facts. We must advocate truth, act impartially, and earnestly work out good ideas and strategies for the leadership to make decisions.

III. We Must Grasp Several Tasks When Strengthening Policymaking Research

Whether or not we do well in policymaking research, and whether or not we can play a more important role in the

process of policymaking by the leadership, is determined by whether the leadership attaches great importance to it and whether the research work is strong enough. It is related to the extent of democracy and scientific property in the process of policymaking by collective leadership, and the quality and work style of researchers. This thus requires us to work hard in various aspects. Judging from the experience of Tianjin Municipality in recent years, we must particularly do well in the following tasks:

1. Leading cadres must participate directly in policymaking research. To raise his policymaking research skills and policymaking skills, it is extremely important for a leader to go to the realities himself and conduct investigation and research. Investigation and research are a kind of basic social activity through which a decisionmaker understands and solves problems. They can also be regarded as the basic skills of a decisionmaker. First, the work of investigation and research by the leadership cannot be done entirely by somebody else. One can say that every leader of the party, government, and mass organizations is a social science researcher who personally handles the work of investigation and research. It is an absolute necessity for them to perform their leadership duties, to improve their leadership skills, and to make scientific decisions. Objectively, all things are connected by sophisticated relations. More often than not, behind such contradictory and intertwined phenomenon, exist concealed objective rules independent of man's will. Only when we have collected a host of materials through systematic and careful investigation and research and have grasped the crux of issues, can we boost the scientific nature and reliability of the decisions made. Therefore, Comrade Chen Yun said, "In doing our work, we must spend over 90 percent of our time studying the situation and less than 10 percent of our time making decisions." We should go to the grassroots and earnestly spend most of our time investigating and studying problems, so as to lay a solid foundation. Second, for leading cadres to join in the investigation and research is a very good way to promote the work of policymaking as a whole. Since leading cadres are in a different position, they have different aspects of connections and different approaches to handle problems. Therefore, for leading cadres to participate in the investigation and research helps direct the development of the work in an extensive and intensive manner, and helps improve the quality of research. If leading cadres at all levels attach great importance to policymaking research and actively participate in it, they will achieve better results. In October last year, the Tianjin Municipal CPC Committee and municipal government formulated regulations stipulating that the first week of each month should be free of any meetings and that, in general, no municipal meetings would be convened, so that the municipal leadership could spend more time on investigation and research. By the end of last year, the municipal CPC Committee and municipal government further urged that leading cadres of all organizations, departments, committees, and offices at city level, districts, counties, and bureaus should take the lead and organize

cadres of the state organs to go down to factories, villages, and schools. They should set up liaison posts there so as to carry out typical investigations and join grassroots cadres in order to earnestly solve problems that arise in the practical work. In May this year, they further urged the leadership at all levels to proceed from the realities of their own districts, systems, and units, and to further work out practical systems and measures for participating in investigation and research. At present, the municipality is gradually forming a system, and it has become a habit for the municipality's leadership at various levels to participate in the investigations and research. Thus, the results are getting continuously better.

2. We should give full play to the role of consultation by institutes in charge of policymaking consultation. Research and consultative institutes of the party and government organs are "advisers" and think tanks directed by and serving the party and government leadership. In the wake of modernization in the areas of economics and science and technology, the contents and approach of policymaking by the leadership at various levels have been modified and diversified. It is absolutely necessary that leading cadres should personally participate in the investigations and research. Facing such sophisticated contradictions and a variety of problems, however, it is impossible for a leader to handle everything by himself, or to personally conduct in-depth and meticulous research for each problem. It is necessary that the leader be assisted by specialized researchers in terms of collection, compilation, and summarization of information. There should be special consultative and research departments responsible for organizing personnel to conduct in-depth investigations and feasibility studies. Therefore, to a very large extent, the quality of the work done by the consultative institutes determines the correctness of the resulting policies. Being good at relying on the consultative departments to make policies is the act of a wise leader, as well as a skill to eliminate mistakes in the process.

Recently, the consultative institutes of Tianjin's party and government organs saw rapid development. The municipal government set up a consultative committee consisting of veteran cadres. In addition, under the condition of streamlining and getting tight control over staff size, most of the units above district and county levels in the municipality have initially formed a municipality-wide network for policymaking research, thereby fully manifesting their attitude of attaching importance to and supporting that work. After acting in the spirit of the Sixth Plenary Session of the 13th CPC Central Committee, we urged all party and government departments at various levels across the municipality to further attach great importance to and strengthen the work of consultation for the purpose of policymaking. We urged that, first, our daily agendas must include the work of investigation and research, letting the competent principal leaders be in charge of the work and regularly guide and work out plans and requirements for the research

departments. We should let comrades of the research departments participate in or attend the necessary meetings, read the necessary documents, and solicit opinions from the research departments so as to assimilate and adopt their research results. In addition, we should support them in terms of staff size, equipment, means of handling business, operating expenses and so on. Second, we should strive to improve the Marxist theoretical skills and professional quality of personnel in charge of policymaking research. While devoting major effort to training existing personnel, we should pay attention to recruiting comrades who are politically mature and whose theory training and writing skills have reached a certain level. Third, leading groups at all levels must study the best way to utilize the research departments so as to make them play a more important role in advising and assisting the leadership. Since the beginning of this year, the municipality has seriously inspected work in this respect, thereby further strengthening its guidance and support. From now on, we must continue to carry out the work in a more earnest manner.

3. We should pay attention to organizing experts and scholars of different fields to join in the work. Tianjin's colleges and universities and social sciences research institutes have a large number of qualified personnel who are well-trained in terms of theory, and are well-learned in terms of knowledge. In order to let them play their role, the municipal CPC Committee and municipal government instructed the municipal research center for economic and social development to organize all institutes, as well as experts and scholars, across the municipality to conduct research for the purpose of policymaking. It was also instructed to act as a bridge linking the leadership to the researchers, and to coordinate work among the research institutes. Over the past years, a large number of experts and scholars in the municipality have graduated from their schools and colleges and started working in society. They worked hard in probing the major problems encountered in reform and construction. In particular, they repeatedly organized forums and meetings with the municipal leadership to discuss Tianjin's special topics such as ① economic development strategy, rectification and consolidation, in-depth development of reforms, development of export-oriented economy, coordinated urban development, and measures for organizing the market. They proposed many feasible suggestions and played a helpful role in making policies for the municipality.

4. We should closely integrate the work of policymaking research with policymaking by the leadership. In most cases, the reason that some of our policies went wrong or ended in failure is because our policymaking did not dovetail with the work of policymaking research, or because policymaking research was superficial so that there was no scientific conclusion; or because the decisionmaker, simply on the basis of his own experience, paid no attention to or was not good at assimilating or adopting the results of research. Therefore, first, in handling major matters with important bearing on the

overall situation, policymaking organs and decision-makers must make no policy without prior investigations or discussions. In order to help all sectors play their proper roles, we must pay attention to coordinating the work of leading comrades with the research work of experts, coordinating the work of research departments under the municipal CPC Committee and municipal government with the research work of competent supervisory departments, coordinating the work of theory departments with that of departments in charge of practical work, and coordinating the work of social science workers with that of natural science workers. Second, we must fully compare, analyze, and discuss all those plans and opinions put forward in the process of policymaking. On the basis of seriously carrying forward democracy, we should implement the correct policies. Third, when implementing policies, we should pay attention to promptly perfecting and revising such policies according to the changing situation. It is possible that correct policies made at a specific time and under certain conditions can become obsolete in the wake of developments in the situation and as a result of restrictions of other related factors and influences. This thus requires us to update our understanding through tracing and investigation, and to make new policies. Therefore, the integration of the work of policymaking research with policymaking by the leadership is a dynamic process. We must unswervingly and continuously conduct policymaking research, continuously discover and identify problems, continuously make new policies, and promptly "fine-tune" our work, so that our understanding will become deeper and we shall make progress in our work.

Footnotes

1. *Selected Works of Mao Zedong*, Volume 1, p. 163
2. *Ibid.*, Volume 1, p. 49
3. *Selected Works of Deng Xiaoping (1938-1956)*, p. 207

Tentative Analysis of the Orbit and Roots of the Rampant Spreading of the Ideological Trend Favoring Bourgeois Liberalization and Lessons Drawn Therefrom

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[Article by Yang Famin (2799 4099 3046)]

[Text] The hair-raising political turmoil that happened between last spring and summer [1989] was the result of allowing the bourgeois liberalization ideological trend to rampage for a long time. We should examine and analyze in detail the 10 years—from the Third Plenary Session of the 11th CPC Central Committee to the Fourth Plenary Session of the 13th CPC Central Committee—of bourgeois liberalization. We should look at its track and roots, and draw out the historical lessons. This is an important task because we want to completely uproot

this ideology, consciously follow the path of socialist ideology, and maintain long-term national security.

I

During the last 10 years an incorrect ideological trend that advocates suspecting and denying the four cardinal principles have existed in our country. The characteristic of this trend is that it is based on the capitalist ideological system. Liberalization advocates, consciously or unconsciously, demand that we get off the socialist tract politically, economically, socially, and culturally and embrace the so-called liberal system of capitalist society. This is what we call the bourgeois liberalization ideological trend. Comrade Deng Xiaoping says, "This so-called bourgeois liberalization demands the complete Westernization of China and a return to the capitalist path."¹ His words summarize the essence of bourgeois liberalization ideology very well.

The bourgeois liberalization ideological trend has developed gradually. Its first appearance was after the gang of four was destroyed. The Cultural Revolution was denounced by the whole party, and our government tried to reestablish order. In the beginning, there were individuals spreading the incorrect viewpoint which said we should doubt Mao Zedong Thought and the achievement of Mao Zedong. This did not yet lead anywhere. However, they continued to present this wrong viewpoint in various styles and through different media channels. Some ideologues began to listen and felt sympathetic. This became contagious. Through mutual encouragement the incorrect viewpoint spread quickly and was increasingly shared by more people. In the spring of 1979 this viewpoint gained momentum, and a bourgeois liberalization ideological trend was formed. Later, the trend went up and down. But, on the whole, the movement intensified and became more severe. It began as a mistaken idea, an idea that said we should doubt and shake up the four cardinal principles. Slowly it grew into a complete ideological system. Finally, some people openly advocated switching over to the ideological, economic, and political system of capitalism. Their final plan was to agitate people into opposing the four cardinal principles and arousing social turmoil and a counterrevolutionary riot. The reason bourgeois liberalization could blossom from a single incorrect viewpoint into a widespread ideological trend with a fierce momentum is because it wore the trendy coat of "reestablishing the right order," "reform and openness," and "letting a hundred schools of thought contend." Besides, compared to the traditional style of Marxist propaganda and educational presentation, bourgeois liberalists are more skillful in expressing their viewpoint in lectures, performances, and articles. Their style is livelier, method newer, and language more up-to-date. The grotesque and bizarre viewpoints of bourgeois liberalization have been allowed to spread legally to the whole society through the modern-day media—newspapers, radio broadcasts, journals, books, television, and movies. This viewpoint has been merged into a strong public opinion. The ideological ambience is confusing and misleading. The wrong

viewpoint has been falsely packaged into a scientific entity. As a result, many people have found it hard to distinguish between true and false and have walked unconsciously into the trap.

The content of bourgeois liberalization ideology, an incorrect viewpoint that has managed to ravage our society for many years, is by and large quite disorderly. When we examine its track we are able to see two basic elements that are reciprocally different but mutually related.

First, we can look at the various styles of the bourgeois liberalization viewpoint presented by the so-called political "elites." This viewpoint is the symbol and essence of the bourgeois liberalization ideology. During the last 10 years, in the ideological arena there have been many kinds of ideas that express bourgeois liberalization. The viewpoint is presented in many different styles, but on the whole it can be summarized in two ways. On the one hand these liberalization advocates attack and deny socialism. They have many theories, such as "failure of socialism" and "how public ownership strangled human nature." They say that party leadership is a "one-party dictatorship," the people's democratic dictatorship is "feudalistic dictatorship," and "Marxism is outdated." It is impossible to list everything they say. These "elites" uphold the bourgeois liberalization position. They use theories and literature to deny the socialist realities in our country, the 40-year history of the People's Republic, the 70-year history of our party, and finally the 5,000 years of civilization of our country. They end up advocating national nihilism and national betrayal. They deny history because they oppose the realities and they deny our national tradition because they oppose the socialist system under the leadership of the party. On the other hand, they advocate and adore capitalism. A few years ago "privatization" was lauded in our ideological arena. Again they praised "elitist politics" and made a lot of noise about "political pluralism" and the "multi-party system." The economic model, political system, and cultural selections from Western capitalism were praised to the point of preposterousness. As for the "elites" pleading for bourgeois liberalization, some quietly support the program to "adopt the Western system and make it Chinese," some openly hold the banner of "total Westernization," and some scream hysterically for a "remedial class in capitalism." The designated position of bourgeois liberalization is to destroy socialism and establish capitalism.

Second, we should look at the theoretical foundation of bourgeois liberalization. The political concept behind this designated position is not an isolated concept. It descends from the same origin as the entire capitalist ideological system and enjoys intimate support from it. Therefore, when the small group of "elites" needed support for their bourgeois liberalization viewpoint, they had to go back to the capitalist theory warehouse, a place that had been deserted by our people. They dug out some rusty old stuff, dressed it up in a disguise, and changed its appearance. This old stuff was then presented as

something original. Some of our team members did not think too clearly either. These comrades fell unwittingly into the theoretical trap set up by the "elites." They in turn tried to look for some so-called academic proof to support the liberalists' political viewpoint. The academic viewpoint regarding the basis of bourgeois liberalization theory may be slightly different from the bourgeois liberalization viewpoint. But the propaganda and promotion of this academic viewpoint is vital to the existence of the bourgeois liberalization ideological trend. And the fact is that the academic viewpoint regarding bourgeois liberalization ideology has many facets and layers.

For instance, some people claim that abstract concepts such as democracy, freedom, and human rights are not divided according to class differences, East and West, socialism and capitalism. From this they draw the conclusion that China can adapt the Western capitalist political system. No doubt this is the political and theoretical basis for bourgeois liberalization.

Furthermore, in the sphere of economic study some people posit an antagonism between the standard of productivity and socialism. They say that "if productivity is the standard, then all rules and restrictions can be disregarded." From there they conclude that there is no need to draw a line between socialism and capitalism. Some people consider that socialism and capitalism come from the same source, and that the two systems exist in the same historical time, share the same historical mission, and "move" in the same historical direction. Some even interpret the ownership system of the monopoly capitalist class as a "common ownership" system and say that the national economy of capitalist nations has the quality of public ownership, that capitalist countries have achieved the objective effect of popular ownership, and that capitalism has come to the "stage of social capitalism." This viewpoint obliterates the essential differences between capitalism and socialism. The goal of these people is to import the service of the capitalist economic system. This is the foundation on which bourgeois liberalization builds its economic theory.

Moreover, some people in their articles promote "reasonable egoism," and some urge "clearing the name of individualism." Some want to prove the point of "looking toward money" and say that "only when we look toward money can we look ahead." The ethic and value of individualism and money worship can loosen, shackle, and dissolve the position of collectivism and its relationship with the socialist economic and political system. This viewpoint comprises the moral principles of bourgeois liberalization.

The most profound theoretical basis of bourgeois liberalization is idealism. For many years in the sphere of philosophical study there have been people who are determined to deny that there is antagonism between materialism and idealism. They deny the Leninist definition of substance and deny the so-called subjectivity of

philosophical trends in the theory of reflection. They have created many ridiculous philosophical theories and used them as the basis for liberalization. There was even a theory about the "failure of socialism" at the end of the 1980's, coming directly from the logic of the theory of "premature birth of socialism" 10 years ago. In 1982 the theory of "alienation of socialism" was born and was allowed to spread unchecked. As a result, we had the rampage last year when some people openly challenged the four cardinal principles. The historical definition of the "alienation" theory was popularized and there was a sensational announcement concerning "economic alienation," "power alienation," and "ideological alienation" in our society. This was to prepare us for the so-called "new enlightenment" movement afterward. The people's democratic dictatorship was denounced as a "feudal dictatorship." The idea of this abstract theory of human nature suggests that we can love one another regardless of class differences and regardless of the contradiction between enemies and ourselves. This is the theoretical pillar supporting many incorrect viewpoints that deny the people's democratic dictatorship. In 1983 the theory of the "pluralism of truth" emerged. It became the theoretical cornerstone for bourgeois liberalization. A series of viewpoints such as "political pluralism" and "multiparty system" were released. Later some people denied the materialist position which said "people and the masses created history." Some claimed that Marx was "mistaken" when he "thought that the starting point of capitalism was the destination." It is obvious that these people are trying to look for a theoretical backup for bourgeois liberalization. If we do not clarify and correct these incorrect viewpoints, it will be difficult for us to eradicate bourgeois liberalization.

The bourgeois liberalization ideological trend has been around for a long while. It has incited, poisoned, and influenced many people. It ended up as a destructive force causing heavy damage to the entire socialist cause. It has assaulted and impaired the leadership status of Marxism, and insulted the socialist ideology that has given us spiritual support. As a result, some people have distorted value systems and outlooks on life. They begin to doubt and feel pessimistic about the future of socialism. In the end they may give up hope. We cannot underestimate the harm caused by this crisis of convictions. This crisis is capable of charging against the socialist political system and disrupting overall unity and stability. After suffering for years from assaults by the liberalization ideological trend, many offices have forgotten the ideal of class struggle. Party leadership and the amount of ideological work have been reduced. The party's ability to be a symbol, make appeals, and fight has been weakened. There is a lack of enthusiasm and a lack of discipline. People's minds have drifted further and further away from the party. Moreover, as people are tempted and prompted by liberalization ideology, the poisonous bacteria of individualism and money worship have, for the last few years, quickly bred, expanded, and polluted the entire society. This tendency swallows people's souls and gives rise to decadence. As a result, people

trade power for money and involve themselves in blackmail, corruption, theft, and profiteering. This decadent phenomenon is like a flood of dirty water that overruns our socialist economic order, ruins the results, and destroys the name of reform and openness. Early in 1981 Comrade Deng Xiaoping made it clear that "if we are not careful in our dealing with the bourgeois liberalization ideological trend, the conflict would become intensified and there would be big trouble ahead."¹² The events in the last few years, especially the hair-raising political turmoil of last year, have proved that this prediction is correct.

II

There is an extremely complicated international background and a deep domestic root behind the birth and flood of bourgeois liberalization ideology.

When we look at its international background, bourgeois liberalization ideology is mainly the product of influence and corrosion by Western capitalist ideology. Socialism is the antithesis of capitalism. The existence of socialism denies and threatens capitalism. International reactionary forces have never given up their hostile position of trying to sabotage the socialist system, nor do they ever intend to do so. After their plot of military interference failed in the latter part of the 1950's, the liberalists changed their strategic focus and began to emphasize "peaceful evolution." These reactionary forces have decided they will apply ideological infiltration in socialist countries. As soon as our government decided to implement the reform and open policy, international anticommunist and hostile elements took the opportunity to speed up political, ideological, and cultural infiltration in China. They have this wishful thinking that they may be able to "win people's minds by first disintegrating these minds." They think they can nurture antisocialist "dissidents" and later shake and "uproot" the big tree of socialism in our country. For years many low-class pornographic pictorials, books, videos, and films have poured from the West into our country. Capitalist decadent ideology, disguised as "academic studies" and "theories," or presented in an artistic form, entered our country one after another. The hostile forces quickly widened their base. Some of our people did "inhale" this foreign "poison" and began to blindly worship Western capitalism and willfully oppose socialism. This is how the phenomenon was created. Needless to say, as long as capitalism exists in the world, the bourgeois liberalization ideological trend in our country will always be alive. The reactionary force of the international capitalist class is the outside power that motivates the creation and the development of bourgeois liberalization ideology.

The bourgeois liberalization ideology in our country has developed from a profound historical origin. The concept of private ownership and the decadent ideology of class exploitation have been passed along to us for several thousand years. Unlike the old society, these ideas have not been and cannot be destroyed, put into a

coffin, and buried. They wander around in our society like ghosts and turn into one of the nutrients for the development of bourgeois liberalization ideology. Also, the world outlook of democratic individualism in the contemporary history of our nation will not and cannot disappear. In China's modern history, we were invaded by Western capitalist powers and influenced by capitalist ideology. The idea that China ought to be "Westernized" or "totally Westernized" emerged at that time. The idea was promoted and propagandized on several occasions and presented in many forms. Our revolutionary history has proved that this is a useless idea for our nation. Most of the people who tried to work on the "total Westernization" of China gradually gave up their old world outlook and political preferences after participating in a socialist revolution and construction. However, as an ideological preference and as a world outlook, "democratic individualism" has not disappeared. In fact, it sometimes stands out quite well. To a certain extent, the rampage of bourgeois liberalization ideology in our country is a result of some people being influenced and kidnapped by this world outlook and political preference. The people who have "waded" in the waves of bourgeois liberalization are democratic individualists and they are wearing the halo of "scholars" and "celebrities." The programs and slogans recommended by them and by other "political elites," their world outlook, view of life, and value system, are exactly the same as those in the past. These ideas and outlooks have simply revived and grow in the new historical environment.

Social reality in our country also provides an ideological foundation for the development of bourgeois liberalization ideology. At one time extremist democratic ideology and anarchism were widespread and made an impact on our society. Then came the 10 years of Cultural Revolution, which helped reinforce this impact and expand its malicious development. The problem was never seriously cleaned up or solved, even during the period of "setting right things which have been thrown into disorder." At the same time, our party is inexperienced in the achievement of the great project of building socialism. The young socialist system is not yet perfect. This and many other complicated elements have contributed to many difficult situations and created obstacles for the socialist cause. On the one hand, these conditions have provided the hostile powers with a good excuse to deny socialism. On the other hand, the young people who lack historical experience and the unstable elements in the party have begun to doubt the party and feel despondent. When we combine this situation with the impact of Western capitalist ideology, we end up with a suitable environment for the birth and development of the bourgeois liberalization ideological trend.

Also, the growth and the eventual rampage of the bourgeois liberalization ideological trend has deep economic roots. Our country is at the beginning stage of socialism and our economy is still backward. We need to concentrate our energy on developing productivity. To deal with the situation, our country relies heavily on the

public ownership system. At the same time, we allow individual economy, private economy, Chinese-foreign joint ventures, Chinese-foreign cooperative ventures, and foreign-owned enterprises to exist and operate. Although the major form of distribution is in accordance with labor, there are also other ways, including distribution in accordance with qualifications. However, we must understand that in the present conditions there are two ways in which we can practice nonpublic ownership, different distribution methods, and the commodity economy. On the one hand these are beneficial to the development of social productivity, and they stimulate the national economy and people's livelihood. They should be given a positive appraisal. On the other hand, it is an objective fact that nonpublic ownership, different distribution methods, and commodity economy have had a negative impact on the socialist economic foundation and have disturbed the upper strata of the ideological arena. Hence, we must keep our minds clear. For instance, private economy and individual economy are necessary and helpful to the development of social production. They provide conveniences to people's lives and increase employment. However, they are the opposite of the socialist economy and public ownership. Private enterprise itself implies capitalism. This is why it is possible for the concept of private ownership and even the concept of capitalism to revive, grow, and spread. Individuals who are self-employed are endowed with the two economic qualities, especially the private entrepreneurs who use surplus labor from other sectors. They are prosocialist as well as spontaneously partial to capitalism. This is particularly true among the people who take advantage of the imperfect socialist system and make illegal profits by impairing the benefits of the country and the people. They yearn desperately for capitalist freedom, democracy, and human rights and hope to become members of the "middle class," just as the bourgeois liberalist will call for them to do so. Therefore, we can say that the negative effects of the nonpublic ownership economy, different distribution methods, and the commodity economy provide the economic condition for the growth and development of bourgeois liberalization ideological trends. Of course, we do not stop eating just because we may choke. At the celebration of the 40th National Day Comrade Jiang Zemin said, "Our policy is, first, to encourage them to develop actively within the boundary approved by the government, and second, we must take economic, administrative, and legal measures to tighten control and to provide guidance. This way they will make positive contributions and, at the same time, any negative effects that are undesirable for socialist economic development will be suppressed." As long as we can thoroughly carry out this policy, encourage positive development, and restrict any negative effects, we will be able to minimize the size of the economic hotbed that nurtures the liberalization ideological trend.

The rampage of the bourgeois liberalization ideological trend is also related to the fact that we do not pay enough

attention to or make enough propaganda about important issues. Also, some comrades are not up to par in their comprehension of issues. During the last 20 or 30 years, by making use of the new technological revolution and by self-adjusting its system, Western capitalist countries have managed to have a comparatively steady economic growth. Meanwhile, the economy and culture of socialist countries have been relatively backward. Because of their short histories, imperfect systems, and errors committed because of inexperience, their productivity still lags behind the West. This is a temporary historical phenomenon. The historical trend says that socialism will eventually replace capitalism. However, because we have not combined theory and experience, have not conducted any timely and profound research, and have not made persuasive explanations and effective propaganda, people who do not understand our national condition or history can only see the enormous economic gap between Western developed countries and our nation. Unavoidably, they begin to admire capitalism and doubt socialism, and they turn to liberalization ideology instead. More important, during the complicated struggle for reform and openness, some of the comrades responsible for promoting our ideology lacked the more sophisticated ability to make political differentiations and to think with the dialectical method. They do not have a clear understanding of the essence of bourgeois liberalization ideology. In fact, they have sided with liberalization and promoted this ideology. Many comrades were tricked by the metaphysical method of reasoning. Their lines of reasoning were transformed from criticizing the "class struggle as the key link" to promoting the "theory of the extinction of class struggle," from criticizing "the bigger the commune the better" to denying public ownership, from criticizing the slighting of personal benefits to advertising individualism, from criticizing the overlooking of economic benefits to asking "everyone to look toward money," from criticizing sexual repression to encouraging "sexual liberation," and so on. Originally they fought against stifling dogmatism, but in the process of doing so they capitulated to the incorrect capitalist viewpoint. They have helped to spread promote bourgeois liberalization ideology instead.

There are different opinions as to how the party should interpret and deal with bourgeois liberalization, an issue related to the overall conditions of the country. Individual party leaders were too lenient and tolerant toward the liberalists, which is why the bourgeois liberalization ideological trend was not plugged up in time. After the Third Plenary Session of the 11th CPC Central Committee, the incorrect policy of "making class struggle the key link" was criticized and the party shifted its focus to the work of economic construction. Some comrades who used to be extremely enthusiastic about their ideological duty have decided to slight or even run away from their work. They consider ideological debate a useless exercise and refuse to be involved. Some comrades have been spiritually injured by "leftism," so they refuse to acknowledge the objective and harmful

existence of the bourgeois liberalization ideological trend. They say that fighting against liberalization is like "Don Quixote tilting against the windmill." Some comrades begin doubt Marxism and ideologically they drift apart from the party. For a long time within the party, there has been a feeling of resistance and antagonism to the policy of anti-bourgeois liberalization ideology. Even when the bourgeois liberalization ideological trend was at its peak, some high-ranking comrades in the party voted "against anti-spiritual pollution and anti-bourgeois liberalism." Some recommended a policy of "remaining tolerant, loose, and lenient." Some ordered "limiting interference and involvement." At the same time, they tried to push and bully the people who wanted to uphold the four cardinal principles and those who were struggling against bourgeois liberalization. These comrades have, in fact, turned on the green light for expansion of the bourgeois liberalization ideological trend. Without much thinking, a number of comrades working in the ideological and cultural fields provided the bourgeois liberalization advocates with newspapers, journals, books, lecture halls, theaters, television screens, and films. These advocates could freely print their articles and show their work, using the national and party media as their tools. Anyone who disagreed with them was considered "ossified." Furthermore, they resented criticism. If a person challenged *Bitter Love*, they would say he had inherited the "Cultural Revolution legacy." If he was against spiritual pollution, he would be depicted as someone "trying to reverse the spring season" or "starting a mini-cultural revolution." If he criticized the capitalist outlook on life, he would be described as extreme leftist. All these have made it difficult to carry out thoroughly the policy of anti-bourgeois liberalization. Hence, the bourgeois liberalization ideological trend has been able to speed its growth.

III

After we finish analyzing the essence, impact, origin, and condition of the bourgeois liberalization ideological trend, we may reexamine our work in the ideological field all these years. We should be able to detect many historically significant experiences.

—We should now recognize that the struggle against bourgeois liberalization ideology is of great significance. Any ideology will have an opposite effect on the survival of our society. The correct ideology, once it has its grip on the masses, can quickly mobilize the society toward progress. Once an incorrect ideology is allowed to take off and grow, it will inflict incalculable harm on the society. Because they deny socialism, the antagonistic forces within and outside our country will try as hard as they can to create and rejuvenate the bourgeois liberalization ideological trend. The Chinese Communist Party wants to promote and perfect the socialist system. It wants to expedite the construction of a socialist economy. This is why the party must instill in the masses a solid conviction about socialist ideology, whose main theme is Marxism. People should always have socialism in their minds and in

their action. The conflict between bourgeois liberalization ideology and the ideology of socialism and communism is in fact a serious class struggle involving the ideological arena in our country. The struggle is manifested in the antagonism between the four cardinal principles and bourgeois liberalization, and in the ideological turf fight between socialist thought and capitalist thought. In history and in reality we can see that, in the fight for ideological territory, capitalism will occupy turf that socialism gives up. Once the territory is lost, the socialist cause will be destroyed immediately. Every Communist Party member should bear in mind that this is the irrefutable truth, the truth proven by the fresh blood of the Republic's warriors. We must not have any fantasies and we must take the lead, in order for the masses to participate in the strong, deep, and persistent struggle against the bourgeois liberalization ideological trend.

The direction of our work in the ideological arena is that we must uphold socialism and serve the people. The main reason bourgeois liberalists could take over our ideological territory and spread their ideology, and why some comrades responsible for ideological work decided to give the territory up to liberalization advocates is that these comrades had lost their sense of direction. First, we must realize that the foundation of our socialist country is the alliance of workers and farmers. Our country is led by the working class. The upper stratum in the socialist ideological field—be it in the area of political and legal thought or from the literary, artistic, moral, and philosophical viewpoint—must represent and respond to the benefits of the working class and workers, and it has to serve the socialist cause. Therefore, when the party says "serving socialism and serving the people," it sets the policy that defines the path not only for art, literature, and journalism, but also for theoretical study, education, publications, films, and television. In other words, it is involved with everything related to the ideological arena. To follow this path we must first accept the guidance of Marxism. We do not ask that all varieties of human spiritual flowers remain monochromatic. But we may look at the situation this way. A powerful symphony must have a strong major melody that will answer to the theme. In the ideological field, we must follow the rules of historical movement accurately, express the minds and feelings of the working class and the workers, and promote the leadership status and the supremacy of Marxism-Leninism-Mao Zedong Thought. We must provide strong guidance in the area of social thinking and communication. Second, the mission of ideological work is to serve the political and economic system of socialism. This is not denying the fact that philosophy, literature, art, and morality can be relatively independent of ideological influences. It is not our job to change these into concrete illustrations or footnotes for political and economic tasks and policies. What we are asking is that philosophy, art, and literature influence and impress people from different perspectives. They have to play different roles, help the people formulate a scientific

world outlook, and establish a correct ideological viewpoint, high morality, and healthy tastes. People should be guided and encouraged to uphold the party's basic line and they will struggle bravely for the construction of socialism with Chinese characteristics. The objective standard by which to determine if a film, book, article, song, report, or even a lecture is following the right path is to see whether it can help raise the ideological and moral quality of socialism in our country, whether it can promote political stability, and whether it can develop productivity. Third, our immediate task in the ideological field is to train new people with the "four haves," because ideology must work for socialism, politically and economically. We must engrain the correct viewpoint into people's minds and action. This can be done only by training more new people who have ideals and who are moral, cultured, and disciplined.

—To fight against bourgeois liberalization, one must take drastic measures to eradicate its ideological foundation. The essence of social science is that it is the ideology of a well-defined class. Academic study may be different from politics, but they are related. Reality tells us that if we mix up the capitalist academic viewpoint with our political viewpoints, we will make serious mistakes. But it is also dangerous not to see the connection between the two viewpoints. When we let society be dominated by a capitalist academic viewpoint, we build a ditch that goes straight to bourgeois liberalization ideology. The bourgeois liberalization ideological trend will not go away unless we uphold Marxist viewpoints when defining important academic theories that clarify our work outlook, outlook of life, value system, and ideological confusion in various scientific matters. For instance, only when we demolish Jin Guantao's subjective idealistic argument that "when no one sees the moon, it is certain that it does not exist," can we eradicate his ridiculous theory that the "trial and failure of socialism is the legacy of the people of the 20th century." This is why we must criticize the bourgeois liberalization viewpoint, and, by means of academic debates, demolish any incorrect viewpoints that may serve as the ideological and theoretical basis for bourgeois liberalization. The success of this struggle depends on our implementing long-term theoretical propaganda, theoretical education, and artistic influence.

—We must build up a large and solid team of Marxist ideologues. A human spiritual engineer must first have Marxist spirit. Ideologues must uphold the socialist path if we want to resist the invasion of bourgeois liberalization. Ideologues, the same as other intellectuals, are members of the working class. Because the conditions, substance, and methods of their work are different from that of industrial workers, and also, because they are at the front line of the ideological struggle, international hostile forces and the liberalization advocates inside our country always try to break them. This is why it is necessary to strengthen the ideological and organizational structure of this team.

Ideologues can then seriously study and establish the Marxist position, viewpoint, and method. They will be able to go side by side with the workers and farmers, and they will consciously overcome their personal weaknesses. As for the theorists, writers, teachers, actors, editors, and reporters who are party members, they are required to strictly follow party rules and party discipline. Leadership authority in all ideological departments should be held tightly by the people who uphold the Marxist position and who execute the party's line.

Existence determines consciousness, and consciousness reacts to existence. Our fundamental duty is to minimize the market for bourgeois liberalization ideology and effectively eradicate its impact. To do so we must uphold and thoroughly implement the party's basic line, work hard to develop social productivity, continue to improve and develop the socialist system, and fully utilize socialist superiority. We hope that our national economy and people's living standard will soon catch up with or even exceed those of the capitalist developed countries. As Comrade Deng Xiaopeng says, "Our development is the only thing that can win over the people who do not believe in socialism."³ Therefore, no matter how intensive or complicated the struggle in the ideological field, we cannot interrupt progress in the reform and open policy, or waver in our determination in economic construction. We are confident that, as the socialist system gradually improves and is allowed to manifest its superiority, and the material and financial gap between our nation and western developed countries decreases or disappears, the poisonous ideological weeds of the capitalist and other exploiting classes that are growing in our ideological field will eventually wither, and the communist ideological flowers of the working class will grow everywhere and blossom brightly.

Footnotes

1. Deng Xiaoping, *China Can Only Follow the Socialist Path*, 3 March 1987.
2. *Collected Essays of Deng Xiaopeng, 1975-1982*, pp. 346-347.
3. Deng Xiaopeng, *Educate the Young People With Chinese History*, 18 February 1987.

Basic Assumptions of the Tax Distribution System Currently Practiced in Our Country

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[Text]

I

Since 1980, the system adopted in our country's finance of "eating in different kitchens" and "financial contracting" has played an important role in promoting the development of productive forces and overcoming financial difficulties. Naturally, there have been drawbacks and, with the development of the economy and deepening of the reform, these drawbacks have gradually become more glaring and outstanding.

1. They are disadvantageous to the formation of a national united market. Following implementation of "financial contracting," the interests of the various localities have acquired an independent nature, and the localities, to prevent the outward flow of their interests, have frequently resorted to demarcating spheres of influence and blockading, thus artificially violating the market's unified nature. This regional mutual blockading has rendered the various economic units unable to guide their production with due reference to the comparative interests they can attain through having their own products going through exchanges in countrywide markets. The free circulation of commodities is thus blocked and the general balance of supply and demand is broken. Building high tariff walls between countries can be said to protect the interests of their own people and the development of their economy, but demarcating spheres of interest by the localities within a sovereign state can only protect backwardness and damage the people's interests.

2. Industries must assume the same likeness in structure and the benefits from allocation of resources have been lowered. Following financial contracting, the financial receipts of the local government have come into direct liaison with local economic development. While this naturally stimulates the positive role of the local government in developing the economy, it strengthens the government's administrative intervention in the enterprises. In order to increase financial receipts, the various localities (including provinces, districts, cities, counties, and even rural townships) have become enthusiastic about developing projects which require little input, produce quick results, and are generally "short-term, cheap, and rapid in making profits." At the same time, bound by the limitations of local financial and material power, many small enterprises that are of a small scale, have low-level technology and equipment, and are very narrowly distributed between the industries and trades have mushroomed in the various localities. Seen from the country as a whole, these small enterprises are mostly redundant structures, their projects cannot reap large-scale effects, and they lead to the enterprises assuming the same type of character. A large number of small enterprises are thus crowded into a small scale or environment and are competing with each other. They not only compete for raw materials and market with large enterprises, thus reducing the utilization effects of the resources, but they also cause a rise in production costs for transactions and impede the industrial structure from proceeding to a higher level of development. Under

the conditions of regional blockading, it is rather difficult to ameliorate distribution and transregional allocation of the effective factors of production. The localities naturally welcome the inward flow of resources, but object to their outward flow. This can only be said to be a tremendous impediment to development of lateral economic unions and formation of close-knit and transregional enterprise groups.

Seen from a certain angle, the overheated economy of these past several years was also related to practices of "eating from separate kitchens" and "financial contracting." Under the traditional structure, the central government did make certain investments in expansion and sought to accelerate development of the economy. But after all, the central government had to carry out the tasks of stabilizing the value of the currency and the entire economy and could not but form a definite degree of self-restraint, whereas the local governments did not need to have such considerations. Under the conditions of acting independently for their interests, if fewer local projects were undertaken, it would imply a smaller portion of the domestic resources being allocated, a smaller amount of local financial revenues, and, thus, a lower standard of living for the people. As a result, the various localities scrambled with each other for faster economic development, continuously "stepped on the gas," and the drive for investment was much stronger than that of the central government.

3. Diversion and scattering of financial strength and lack of power in macroeconomic adjustment and control. Under the system of "financial contracting," aside from a minority of regions that enforced the measure of "percentile division of the gross" or "percentile division of the gross, plus percentile division of the growth," which in effect was the so-called "proportional contracting," the majority of regions enforced the measures of contracting in absolute amounts. That is, "contracting of progressive increases in receipts" or "fixed amounts of upward delivery or subsidy." This implies that in both the localities' delivery to the central government and the subsidies received from the central government the amounts are fixed in value. In recent years, when the currency inflation rate was rather high, in the majority of regions enforcing the "fixed contracting" system, the ratio of the progressive increase in receipts actually delivered to the central government was lower than the scale of rise in commodity prices and the progressive increase amount thereby became negative in value.

The ratio occupied by central finance in the gross financial revenues was too small, the growth rate was too slow, whereas such ordinary expenditures like administrative enterprise fees, price subsidies, deficit subsidies, and so forth, increased rapidly. At present, the expenditures for subsidies alone already stands at about 100 billion yuan, comprising over one-third of total financial revenues. Thus, central finance has been forced to reduce expenditures on economic development. The amount of expenditure on economic development from central finance is the major yardstick for measuring the capacity of finance in

the adjustment and control of economic development. At the moment, the deficits in central finance have continued to increase, ordinary expenditures have also continued to grow, but growth in actual receipts has been low, zero, or even a negative rate. If such a situation is not basically rectified, then, not only will it be impossible to increase the macroeconomic adjustment and control of finance over the economy, it is also feared that a serious financial crisis may be generated.

4. The "financial contracting" system has a more or less casual and nonstandard nature. This is manifested as follows: First, the various localities' contracted base figures and rate of progressive increase are all the result of being based on the original historically formed pattern, through pair-to-pair negotiations, and have separate rates for each province, city, and district. These highly different contracting base figures have different proportions and central finance cannot make a standardized adjustment. As a result, various kinds of nonstandardized acts emerge correspondingly in the adjustment of the interests of the central government and the localities. When central financial power is insufficient, mandatory loans will be imposed on the localities or the central government may resort to various ways of shifting part or all of the burden by literally "inviting guests" at the expense of the localities. As for the localities, they will protect local interests in various ways, hide their riches by allowing enterprises not to collect their accounts receivable, or resort to other means to tap the central treasury. With confusion reigning in the adjustment forms between the central government and the localities, restrictive budgetary relationships between the central authorities and the localities are weakened. This changes the relationship between the two from that between "chess pieces" (the localities are but the chess pieces of the central authorities) to that between "chess players" (both the central authorities and the localities becoming chess players) and the relationship thus becomes one of a cycling between "policies" and "counterpolicies." Second, the contracted base figures, proportionate division, and scale of progressive increases can last only for several years, after which changes will be made. Fluctuations in the policy environment, economic changes, and undulations in the currency inflation rate all make the contracting system itself changeable and unstable. In turn, the changeability of the contracting system means the localities cannot create stable expectations and this makes it all the more imperative to resort to short-term acts. Third, the base figures for local expenditures are not determined by a scientific standard. Rationally fixing the base figure for expenditures is the precondition for rationally fixing the contracted amount and avoiding inequality in joy and sorrow among the localities. But under the conditions of an unsatisfactory economic situation and the constant changes in the commodity price indices, to scientifically fix the expenditure base figures is really rather difficult. The present method of fixing these figures is to take the base figure of past actual expenditures as the base and to set

the base figure after taking due consideration of other factors. By so doing, the interests of those regions with large expenditure base figures are protected but this hurts the enthusiasm of those localities anxious to practice savings in expenses.

The tax distribution or division system overcomes the above mentioned various drawbacks in a rather obvious manner.

The tax division system is a standard financial budgetary system, taking as its base the demarcation of the powers and affairs of the central government and the localities. It fixes as scientifically as possible the scope of receipts and expenses of the central and local governments at various levels on the basis of the actual level of economic development. It can set the fix in a more legal form, form a stable system, and avoid the effects of economic fluctuations. Its stable character can cause the governments at various levels to fix fairly certain expectations and, within their own power and scope, rationally determine their long-, medium-, and short-term activities and plans. Only when the power, business, and scope of government receipts and expenses at various levels are well demarcated in legal form can the autonomous power of the local governments be truly enforced, the administrative system of administration at various levels be fixed, and can the distribution and regulation of central and local interests be standardized.

Enforcement of the tax division system also creates conditions for breaking the blockade and demarcation of spheres of influence by the different localities and it benefits formation of a unified market and ameliorates the allocation of resources nationwide. In order to coordinate reform of the financial system with other reforms and to push the development of other reforms, it will be extremely necessary to enforce the tax division system at the end of the Eighth Five-Year Plan or during the Ninth Five-Year Plan. Naturally, in view of our national conditions, enforcement of a standardized tax division system and taking it to its proper place in one step is fraught with difficulties. However, it will be entirely possible to first structure the basic framework for the tax division system and, based on development of the overall situation, make gradual improvements, ultimately effecting the safe transition to a standardized tax division system.

II

Planning the tax division system is related to readjustment of relatively complex interest relations and, hence, it is necessary to abide by the following principles:

1. It must be beneficial to the central government's centralizing financial power and, at the same time, to arousing the enthusiasm and positivism of the localities.

Reform of the financial structure must be beneficial to finance at various levels to get out of the current dilemma where financial revenues account for too small a proportion of the national income, central government

financial revenues account for too low a proportion of overall finance, and finance at various levels is in a rather serious situation. Hence, the concrete planning program for the tax division system must aid adequate centralization of financial power in the central government. Currently, central finance bears a rather heavy burden of political and economic tasks, but centralized financial power is limited and the macroeconomic regulation and control ability is rather weak. Therefore, the most important task in reform of the tax division system is to ensure that central finance possesses relatively full, stable, and standardized revenues.

On the other hand, planning the tax division system must also pay special attention to arousing the enthusiasm of the localities. The strongest point of the "financial contracting" system lies in arousing the positivism of the local governments at various levels, and the tax division system must safeguard this strong point. Speaking from a certain context, local economic development is the foundation and the actual state of affairs of central finance and economy is determined by the good or bad economic performance of the country's various provinces and cities. Hence, in drafting the blueprint for tax division and considering which tax category should belong to the central government or the localities, emphasis must be given to protecting the enthusiasm and positivism of the localities. According to the celebrated Laffer's curve on taxation, too low or too high a tax rate will weaken the activities of the principal economic body and also weaken the tax foundation. Borrowing this theme to use on the budgetary structure, demands by the central government that are too high or too low on the delivery rate of the localities will lead to a reduction in the financial revenues of the central government. Therefore, reform of the budget system calls for finding the best program acceptable to the central government and the localities and which can arouse the enthusiasm of both sides. Figuratively, the program should consider how to bake a larger cake and should not face the dilemma of having a cake of a fixed size over which the parties concerned then wrangle over its cutting and distribution.

2. Principle of basic unanimity between enterprise and finance power

In the past, in political accompaniment with the system of the central government's centralization of power, there was inevitably a highly centralized financial distribution system. In a large country like China, with its vast expanse of territory and great disparity in the basic conditions of the various localities, history has proved that it would not be suitable to fully enforce a structure with a high degree of centralization of power in the central government. Under the unified leadership of the central government, governments at various levels should enjoy the power to administer the affairs of the localities at various levels. The assurance of an appropriate amount of financial power is the essential condition for governments at various levels to perform their

functions. Hence, it is necessary to demarcate the enterprise power of the governments at various levels and to have them display their functions, and the governments at various levels should be endowed with an appropriate amount of financial power in the budgetary system.

3. Principles that benefit the development of commodity economy

The new financial structure must do its utmost to overcome government intervention in the enterprises. This will be beneficial to encouraging enterprises to truly face the direction of developing autonomous operations and being solely responsible for their own profits and losses. Against the drawbacks of the "financial contracting system" which fostered an abusive trend that led to the closure and the isolation of the national markets, the new structure must strive to create conditions for the formation of a nationally unified, fair, and competitive market. Moreover, the new structure must basically prevent governments at various levels from disregarding macroeconomic patterns and looking after only their own interests, including their redundant construction and overheated economic activities, thus ensuring the economy's sustained, stable, and coordinated development.

4. Principle of encouraging the advanced and looking after the regressive

Over many years, several especially large cities, towns, and economically developed provinces have made vast contributions to central finance. Developed cities and provinces have the undisputed task of making more contributions to the central government, but this should be to an appropriate extent only. Otherwise, the basic facilities and enterprise equipment in the old industrial bases may easily become aged. Hence, the financial system should emphasize that the more affluent regions should make more contributions but, at the same time, the localities themselves should have an income higher than other regions.

In this large country of ours, with a large variety of races exists, great disparity in the development level of productive forces and in the economic structure. It is estimated that, by the end of this century, the per capita gross output value in industry and agriculture in the provinces and regions inhabited by the minority races will show a disparity of 200 percent compared with the national average level. The disparity will be much greater when compared to the developed provinces and cities. In the provinces and regions occupied by the minority races, the present financial self-sufficiency rate is slightly over 50 percent; in other words, nearly 50 percent of their financial outlay depends on large subsidies from the central government. In addition, nine provinces belong to the category of having to be slightly subsidized, being self-sufficient in receipt and expenditures, or being capable of making only small deliveries to the central government. This reality objectively determines that

China's financial structure cannot "last like this forever." The tax division system naturally must take into account this reality and, particularly, consider the special features and needs of the border regions, regions occupied by minority races, and the regressive and backward regions. This will help to bring about economic development, amity, and friendship between the races and also social stability.

5. Principle of standardizing regulation of central and local financial interests

The tax division system aims at standardizing distribution and regulation of the interests between the governments at various levels. First, it calls for the localities to properly effect their own balancing of receipts and expenditures, strictly and sternly administer tax collection, and not take from the central government or undertake "fishing expeditions." Second, central finance must have its own resources for financial revenue and must firmly desist from such substandard practices as borrowing money from the localities, levying charges for budget regulation funds, and so forth. Central finance itself must also properly perform its own self-balancing work in receipts and expenditures, and it must make up deficits through open and proper channels. In drafting the tax division blueprint, we must consider how to standardize the distribution and regulation of the interests of the governments at various levels, thereby attaining the objective of standardizing government actions at various levels.

In view of the above-mentioned principles, at present we can proceed with taking into account the country's existing actual conditions and undertake a partial tax-division system. In our opinion, it is feasible to undertake a tax division system in separate categories, according to different economic categories. The concrete suppositions are as follows:

Based on the different grades of economic development and the conditions of financial receipts and expenditures in the various provinces and cities, let us divide the whole country into three categories of economic regions, and separately enforce a tax division system with certain disparities. All three sets of tax division system will embrace the central fixed receipts, the localities' fixed receipts, and receipts jointly shared by the central and local governments.

Central fixed receipts: According to statistics from the State Administration of Taxation, at present in the country there are five big tax categories, embracing more than 30 different kinds of taxes. After making due adjustments, the following kinds of taxes are assigned to the central government: taxes which can easily be centralized by the central government; or a portion of those taxes which can be employed as main levers and measures in national macroeconomic regulation and control and can produce effects on the whole national economy; or those taxes accounting for a large proportion of the financial receipts and that are generally from stable

sources. Their main components are customs duties, resources tax, salt tax, energy and transport funds, special tax on fuel oil, building tax, tax on awards, tobacco and wine products tax, business taxes collected from the railways, insurance and banks, income tax, central government loan receipts, and industry and commerce unification taxes collected by customs on behalf of the government.

Localities' fixed receipts: Assign to the localities those kinds of taxes which, after splitting up the tax sources, are convenient for local administration or collection, or those taxes which have a bearing on maintaining local or municipal basic facilities. These include mainly the following: Municipal maintenance and construction tax, housing tax, tax on animal husbandry, tax on use of vehicles and ships, individual income tax, title and deeds tax, tax on use of city land, stamp duties, tax on country fair trade, tax on occupation and use of cultivated land, special consumption tax, and the animals and cattle transaction and butchery taxes, which may continue to be retained.

There is not much dispute as to which side the above taxes should belong (naturally there is a certain amount of dispute on the division of the "resources tax"). But the main points of controversy are related to the three large categories of circulation tax, namely, products tax, value-added tax, and business tax, and the income tax on the various kinds of enterprises. In 1988, the three kinds of circulation tax were 52.84 percent of gross taxation receipts, and income tax from the various categories of enterprises made up some 32 percent. Precisely because of this, the vexatious points concern the distribution or division of these several categories of taxes. In our opinion, we should proceed from current reality, and the distribution or division of these large categories of taxes should be made according to the economic categories.

1. Provinces and cities which are economically relatively developed and are relatively rich in resources, including Shanghai, Beijing, Tianjin, Jiangsu, Guangdong, and Zhejiang, and cities single-listed in the state plan, such as Wuhan, Shenyang, Dalian, Chongqing, Harbin, Qingdao, Xian, and Ningbo, have occupied an important position in the whole country and should by all means make more contributions. Some people have advocated that the three circulation taxes from all these provinces and cities should be earmarked as fixed revenues for the central government, while the income taxes from their enterprises should be shared jointly. According to our rough estimate, it will not be practicable for the tax division method to call for assigning all of the three circulation taxes from these developed provinces and cities to the central government. If all of the tax amounts are to be delivered to the national treasury, then there would be no way to ensure meeting the local financial expenditures, and the positivism and enthusiasm of the localities to create an accumulate wealth would be sadly damaged. In our opinion, it would be a more realistic and rational choice to earmark the whole of the products tax and value-added tax as fixed

revenues for the central government and let the business tax and income tax be jointly shared by the central and local governments. The business tax is closely connected to the extent of commodity circulation and market prosperity. The circulation of commodities and whether or not the market is prosperous depend on historical conditions, geographic environment, and the resources of the city. On the other hand, they are also intimately related to the localities' development of tertiary industry and how they perform the functions of providing overall servicing facilities. For the localities to take part in the distribution of this tax will aid the development of tertiary industry. As for income tax, because of its large tax source and its close connection to the enterprises' economic effects, it has large fluctuations and, hence in these types of regions, income tax should be jointly shared. The above analysis shows that jointly sharing the receipts from business tax and income tax not only has the merit of simply equalizing the benefits, but is also related to the special features of these two taxes themselves.

2. Regarding regions that are economically undeveloped and possess weak financial resources, including Heilongjiang, Jilin, Hebei, Shanxi, Shaanxi, Gansu, Henan, Hubei, Hunan, Anhui, Fujian, Jiangxi, Sichuan, and Shandong, the three circulation taxes should be jointly shared, and the tax receipts from the various enterprises should be taken as the fixed receipts of the localities. Since, generally speaking, the economic strength of these regions is insufficient and, aside from certain individual provinces that have been able to deliver rather minor amounts to the central treasury, these regions financially belong to the category where some are able to make a small delivery, some are self-sufficient in receipts and expenditures, and some still require small amounts of subsidy from the central government. In other words, under the existing system, outside of the central government's fixed receipts, the great proportion of financial receipts are being retained by the localities. Whereas in the past nearly all of the receipts from the three taxes, which usually occupy a rather large proportion, belonged to the localities, and if they should be jointly shared from now on, then, upon enforcement of the tax division system, quite obviously the portion taken by the central government should not be too large. Otherwise, with the central government having taken a rather large portion of the three taxes, then it would ultimately have to make large subsidies to the provinces and regions. This would involve frequently sending funds back and forth and would cost much meaningless effort. Besides, this would harm the activism and willingness of the localities to organize revenues and taxes.

3. For those provinces and regions that are economically poor and lack financial sources such as the five autonomous nationality regions and the provinces of Qinghai, Yunnan, Guizhou, and Hainan, the income tax from the enterprises and the circulation taxes should all be taken as the fixed receipts of the localities. At present, there is

still a great disparity in economic development between these regions and provinces and the developed regions and areas. Their financial self-sufficiency rate is low. Hence, earmarking by far the largest portion of taxes as the fixed receipts of the localities helps these provinces and regions to actively open up resources, develop the commodity economy, and increase financial receipts. This should be readily understandable and acceptable to people at large. At the same time, there should be no question of central finance continuing from now on, and for a rather prolonged period, its subsidies to these provinces and regions. In short, for the financial structure to give preferences to the regions domiciled by minority races to provide for their own self-accumulation and to create conditions for development, will be beneficial to bringing economic prosperity to these minority regions as well as unity among the races and national security. Naturally, the minority regions themselves should fully treasure these preferential policies by the central government and should strive to raise the useful effects of the financial funds.

In the blueprint, the fixed ratios of the shares of each party should be calculated according to true and reliable figures.

The suppositions in the above program have taken note of at least the following points: First, fully recognizing that there are different levels of economic development in our country and according them different treatment. Different treatment does not necessarily imply injustice, and "treating all alike" may not mean justice for all. The proposition has also considered the interests of the developed provinces and regions and has aimed at not disturbing the benefits already earned by the parties in existence. This is beneficial to rousing the enthusiasm of the various regions, increasing the gross volume of financial receipts, and facilitating the further healthy development of the local economies. In the end, central finance will also be increased. To be just and realistic at the same time is probably the most difficult point in pushing the tax division system. It will be the responsibility of the planners and the decisionmakers to select the best alternative. Second, the proposition aids development of the commodity economy. Basically changing the system of tax payment according to the administrative subordinate relations will reduce the extent of direct government intervention in the economy, cut down the short-term acts of the government in economic regulation and control, and will also benefit the formation of a united domestic market. Third, the proposition has given consideration to centralization of financial power by the central government. Aside from having stable and fixed receipts, the central government can also participate in the division of certain major tax categories. Through tax division reform, the fixed receipts and jointly shared receipts of the central government will account for 55 to 60 percent of national financial receipts and, at the least, will not be lower than the centralized 52.6 percent of 1989. Moreover, when and as total financial receipts increase on a large scale, even

without a change in the distribution ratio, the separate receipts of the central government and the localities will follow with large-scale increases.

III

Based on the above-mentioned suppositions, in enforcing the tax division system in different categories, we must grasp the following coordinating measures well:

A. External Coordinating Measures

1. Maintenance of a stable and auspicious environment for social reform. Deepening of the economic improvement and rectification, gradual recovery of the domestic economy, and the whole country's common understanding of the "one center and two basic points" are among the most basic external coordinating measures. At present, these points are already basically available.

2. A clear demarcation of the power to run ordinary affairs, that is, the scope of the functions and responsibilities between the central and local governments at various levels. It should be said that, after over 40 years of effort between the central and local governments at various levels, demarcation of their functions and power has already made rather large progress and certain beneficial experiences have been collected. Reform of the system of excessive centralization of power in the central government has already progressed toward the target set by the 13th CPC National Congress. In particular, the demarcation of the functions and power in administration and control of the governments at various levels has been basically clarified. At present, in the demarcation of the power to run ordinary affairs between the central government and governments at various levels, the outstanding problem existing is that there is still no clear demarcation regarding the functions and power of economic administration and control. Demarcation of the power to run ordinary affairs between the central government and governments at various levels is both the precondition for enforcement of the tax division system and also one of the principal difficult points in enforcing the tax division system at present. So that the tax division system according to separate categories may be gradually enforced, in the near future we should properly accomplish the following three points: First, we must continue to keep to specified limits the acts of the central government and governments at various levels and maintain the continuity of the policies that have already been implemented. Second, to enable the central government to free itself from the troubles of concrete affairs and effectively exercise its macroeconomic decisionmaking, leadership, and supervisory powers, we must further clarify, improve, and perfect the central government's limits of power in macroeconomic control and the detailed regulations governing their concrete enforcement. Third, based on the principle of "one level of power for one level of government," we must clarify and determine by legislation the economic control power of local governments at various levels, gradually put the acts of local governments onto the track of legislative

control, and strictly enforce and strengthen the central government's supervision and control over the localities.

3. Further deepening enterprise and price reform and establishing a united socialist market system. Invigoration of the enterprises, particularly the state-run large and medium-sized enterprises, is wherein lies the key to reform of the economic structure. At present, it is necessary to lead the enterprises to gradually move toward the transition to posttax contracting and division of flow of taxes and profits and to steadily realize the separation of government from enterprise affairs. This enables them to truly turn toward the transition to being relatively independent production entities in the socialist commodity economy. Price reform in our country was at one time forced to a standstill because of difficulties, but the various kinds of unfavorable factors (currency inflation, too fast and too sudden a rise in commodity prices, psychological imbalance of the residents, and so forth) against price reform are being gradually removed. We must select the opportune moment to steadily and actively push price reform, smooth out irrational comparative price relations, and create for the enterprises an external environment for just and fair competition. In addition, we must strengthen the central government's macroeconomic regulation and control ability, wield the necessary administrative power to remove the barriers and walls erected by local governments which impede the healthy development of the socialist commodity economy, promote the nurturing and development of the market, and gradually set up an improved and united socialist market.

B. Internal Coordinating Measures

The internal coordinating measures principally include such various phases as reforming and perfecting the budget administration form, tax system, and so forth.

1. In further reforming and perfecting the existing budget administration form, the following jobs should be performed properly: First, use the point-counting system of factors to replace the "base figure method" and fix anew the expenditure base figures of the various provinces and cities. Second, establish a strong and independent four-level budget control system. Third, formulate a united national "budget law" and strengthen construction of financial legislation, make financial control and policy-making scientific and democratic, and augment the people's supervision over the state budget and the budgets of local governments at various levels.

2. Further reform and improve our country's taxation system.

In enforcing the tax division system, both central and local finance will derive their receipts principally from their own separate tax sources and hence the perfection of the tax system is an urgent necessity.

First, it is necessary to unify the income tax system covering the enterprises. At present, tax regulation in the distribution of enterprise profits is not standardized.

The income tax itself has many forms which are rather complex. We must, as soon as possible, unify the domestic enterprise income tax system, abolish the regulation tax, reduce the nominal income tax rates, and put into operation the basket of plans, such as posttax repayment of loans, and so forth. Otherwise the downward trend in income tax receipts cannot be rectified.

Second, it is necessary to improve the circulation tax system and greatly push the value-added tax. We must expand the enforcement area of the value-added tax over the various stages of industrial production and overcome the drawbacks of the redundant collection of the products tax, and try out collection of the value-added tax on the circulation and wholesale stages of commodities and gradually collect value-added tax on the retail sales stages of commodities. This portion of taxes should, like the original business tax, belong either to the central government or the localities. As for the currency, insurance, and service trades, which are in the category of noncommodity receipts, we must continue to collect the business tax.

Third, it is necessary to enlarge the local taxation system. At present, the problems in the local taxation system are that their proportion is too small and the control power in tax collection is too centralized. For the sake of building a new pattern for the local taxation system we should, at present, follow the demands of the tax division system and improve the existing local taxes. Because the butchery tax, cattle and animals transaction tax, feast and restaurant tax, and country fair transaction tax produce little revenue, can easily be evaded, and involve large collection costs, we would recommend their simplification or abolition. Meanwhile, on the prerequisite of ensuring that there will be no edging out of the tax receipts of the central government, we may strengthen the local governments' decisionmaking power in local taxation, including the power in local taxation to introduce new taxes, reduce and exempt taxes, terminate collection, and, to a definite degree, the power to readjust tax rates.

Explore Ways To Combine Planned Economy and Regulation by Market Mechanism in Practice

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[Text] Integrating the planned economy and regulation by market mechanism to enable the economy to prosper and develop in a sustained, stable, and coordinated manner is an important exploration both in theory and in practice and is also a big problem which bears on the rise or fall and success or failure, of the socialist enterprise. In the following we shall make an exploration in combination with the practice in the textile industry.

i. It is necessary and possible to integrate the planned economy and regulation by market mechanism.

Over the past several decades, actual practice in socialist construction has shown that it is necessary and entirely possible to integrate the planned economy and regulation by market mechanism.

Since the founding of the Republic, particularly after completion of the three large transformations in the middle of the 1950's, economic control in our country has basically adopted the pattern of unitary planned control by which the state issued plans from top to below and put them in a mandatory form to be implemented down to the grassroots level. The textile industry may be cited as a representative case. Production was under the unified planning of the state; the major textile raw materials, such as cotton, jute, and sheep's wool were under the unified allocation of the state; and the major textile products were under unified purchases and sales. Cloth ration coupons for a fixed amount of cloth were provided to the populace. Projects and funds for capital construction were arranged by the state, and the prices of textile products were under the state's unified regulation. The market mechanism played hardly any role at all.

During this period, the textile industry developed rather greatly. In particular, in the First Five-Year Plan period, its development was relatively smooth and there was coordination on all sides. Afterward, fluctuations began to appear and, particularly during the Great Leap Forward and the subsequent 10 years of disturbances, a serious state of proportional imbalance appeared. This was principally the result of errors in guiding theory and work and was not caused by the unitary planned control system. The main drawback of the unitary planned control system was the lack of vitality. The task of the enterprise was the mere completion of the plan without any concern for the market; and, since there was no competitive mechanism, there was no innate driving force to open up new products, renovate the technology, and enhance the effects. In the 1950's, the level of production development was rather low, the people's demand for textile products was simple, principally it was a matter of "having" or "not having," and hence the contradiction was not so conspicuous. However, following economic development and the rise in the people's standard of living, such problems as the simplicity of the variety of products, slow progress in technology and low effects began to be increasingly revealed. Drawbacks of this kind exist universally in socialist countries. This is indivisible from the unitary planned control system.

Since the Third Plenary Session of the 11th CPC Central Committee, reform of the economic structure has been in progress. In the reform, the planned control system was the central point. As far as the textile industry was concerned, the reform included mainly the following: The majority of products became subject to planning of a guidance nature, the power of capital construction control was delegated downward, the policy of unified

purchases and sales of textile products was broken, a change was made in the method of allocating raw materials, price control was loosened, enterprise power was expanded, the activism of the localities and enterprises was aroused, and the role of regulation by market mechanism was rather greatly displayed.

The successes of the reform over the past 10 years are publicly acknowledged and this was also true with the textile industry. The growth rate in production and construction was vastly higher than that in the preceding period. The cloth-rationing method which had been in force over the past 30 years was abolished and the problem of the lack of clothing and bedding was basically solved. Foreign exchange earnings from the export of textile products increased by 800 percent. Great development was made in the variety and style of products and in scientific technique. An obvious change was made in the appearance of the clothing and attire of the populace. All these were indivisible from the implementation of the guideline of reform and open door, or from the role played by regulation by market mechanism.

Concurrently with the achievement of large successes, a series of problems also appeared, such as overheating of the economy, currency inflation, rise in commodity prices, confusion in the circulation sectors, and so forth. The appearance of these problems must be analyzed according to the principle of seeking truth from facts. Although the market's role was displayed, the market mechanism and market control were still not perfect. The unitary planned control model had changed, but the measures of planned control and macroeconomic regulation and control were greatly weakened. In the realm of the textile industry, the most conspicuous problems were the several occasions of "overheating" and several "large battles" were fought. Take the woolen textile industry as an example for analysis: The zeal for making Western-style suits before and after 1984 caused the supply of woolen textile products to lag far behind demand and the "zeal for woolen textiles" made its appearance. In 1985 the number of spindles in newly built woolen textile plants rose to 500,000 to 600,000, equivalent to the total number of the increases indicated in the Seventh Five-Year Plan, that is, for the five years altogether. The excessive inflation in production capacity brought along with it the "big battles for sheep wool" in the struggle for raw materials. This led to a doubling in the price of sheep wool and a large-scale price increase in woolen textile products, which far exceeded the ability of the consumers to bear. As a result, sales volume was reduced, products were stockpiled, plants had to stop work, and the woolen textile industry was converted from unprecedented prosperity to a state of serious depression. The gross capacity of woolen textiles was under state control and had not been delegated downward, but the high profit rate had stimulated the enthusiasm for developing woolen textile production. Because the state plan lacked effective macroeconomic regulation and control measures, this enthusiasm was turned into blind development and greatly restrained the development of the woolen textile industry.

From the actual practice over the past several decades we can obtain a basic observation: The kind of model adopted in socialist economic control is an exceedingly important problem. If the pattern of unitary planned control is adopted and the work is really performed well, with the level of the plan being continuously elevated, then it is possible to make the national economy attain relatively stable and coordinated development, but such an economic pattern lacks vitality and does not help to promote an enhanced level of products, technology, and management and control, and hence can neither obtain the highest effects nor enable the economy to achieve even faster development. Giving play to the effects of the market mechanism can raise the economy's vitality and is beneficial to rousing the activism and initiative of the extensive regions and masses. However, if development of the entire economy does not have the correct organization and guidance from the state plan, then it is likely to lead to blind movement, cause proportional imbalance, give rise to undulations and complications, and deter development of the economy.

The integration of planned economy and regulation by market mechanism are the objective demand of the socialist economy. Socialist production is socialist large-scale production; and for the sake of the economy's normal operation, the various departments, localities, and sides must maintain suitable proportionate relationships. This will require organization and leadership from the state plan. At the same time, socialist production is also commodity production. It must follow the law of value and display the role of regulation by market mechanism. In a word, plan is needed and market is also needed, and the two must be integrated. The basis of the socialist economy is the system of public ownership of the means of production. Since the basic interests of the whole society are unanimous, this provides the objective possibility to achieve integration of planned economy with regulation by market mechanism. To implement the integration of planned economy with "market regulation" is an important development in socialist economic theory. For us to find a way from actual practice to integrate these two, undoubtedly is extremely important.

2. The key to integrating planned economy with regulation by market mechanism lies in respecting and consciously using the law of value.

Actual implementation of the integration of planned economy and regulation by market mechanism is a principle approved by all people, but the means of achieving integration is subject to different interpretations and suggestions. According to actual practice of many years in the textile industry, I wish to make certain observations, as follows:

First, planned economy suggests the general body of economic development is carried out in a planned and proportionate manner while the objective and scope of regulation by market mechanism are principally the microeconomic daily activities.

The planned economy is the special feature and strong point of the socialist economy. This implies principally that the national economy as a whole is developed in a planned and proportionate manner, that is to say, the state can, based on the objective demands for economic development, formulate the plan and organize and lead the coordinated development of the national economy and thereby prevent the occurrence of periodic economic crises. Whether the planned economic system is firmly insisted upon refers to whether we can achieve this point. As for achieving this objective, there are many concrete methods which must be continuously improved and perfected in actual practice. In the past, planned economy was frequently interpreted as simply that plans must be forwarded level by level from top to bottom, and that the concrete economic activities of the various enterprises must all be carried out according to the plans. This traditional concept must be changed. Actual practice has shown that the method ordained in the unitary planned control system of requiring the concrete activities of the various grassroots-level units to be carried out in accordance with the plan forwarded by the state is not a good one. Socioeconomic activities are extremely complex and involve innumerable changes. This is all the more so with the textile industry. It is true that the planning department has a relatively correct grasp of the general situation as well as good forecasting ability, but it is unable to make completely perfect plans for the concrete activities of the thousands and tens of thousands of enterprises. This is known well by comrades engaged in actual work. The pattern of the unitary planned control system binds the hands and feet of the enterprises on the one hand and increases the enterprises' psychology of dependence on the other. The enterprises frequently feel that the projects within the plan are not as good as or work as well as plans conceived outside the plan. As a matter of fact, against the errors committed in the preceding period, it is true that improvement and rectification require adequately strengthening the planned nature, but this is confined principally to fixing well the balancing of the gross volume, making the structural readjustment, and strengthening macroeconomic regulation and control. Thus, we must not concentrate on increasing the volume and proportion of mandatory planning.

The purpose of using the market mechanism to carry out regulation to invigorate the economy and raise the effects. The objects of the regulation naturally include macroeconomic activities, but mainly the microeconomic activities of the enterprises at the grassroots level are concerned. The market is most sensitive. In pushing the enterprise to the market, on the one hand we can regulate the relations between supply and demand, make enterprises become concerned with the market, develop the variety and style of products, make the products marketable, and thus better suit the needs of the populace. On the other hand, through market competition and the principle of survival of the fittest, we can push the enterprises to strengthen management, renovate

technique, and improve effects. Hence, correctly displaying the role of the market mechanism plays an important role in pushing forward the development of socialist economy. However, if the role of the market mechanism is exaggerated and reliance is placed only on the market mechanism to regulate the macroeconomy, then, inevitably, we may act blindly and cause economic fluctuations and confusion. This is certainly not desirable.

Second, both plan and market must cover the entire society.

Planning organizes and guides the operations of the entire national economy. Hence, it must cover the whole society. The planning work of the textile industry must, first of all, be based on the needs of development of the entire national economy. It must then formulate the development plan and industrial policy, balance supply, production and demand; and arrange for production and construction, all of which embody the whole industry. For example, the annual production of 23 million bales of cotton yarn and, during the Seventh Five-Year Plan, the construction of 3 million cotton spindles all embraced the various localities, units, and types of enterprises under the system of ownership by the whole people. All the various kinds of textile products made with cotton, whether products under the state plan such as cotton cloth, dyed cloth, and so forth, or cotton cord, rope, and yarn not listed in the state plan, must be covered in the planning so that the whole scheme of use of cotton yarn must be in a state of balance. If the plan applies to only one part, that is, to only the state-run enterprises or funds within the budget, the result will be a conflict between inside the plan and outside the plan, overall balance will be disrupted; this is the problem at the moment. That the plan must cover all of society does not mean that each and every step must abide by the plan forwarded downward level by level; rather, the concrete planned control form must proceed from reality and be fixed by seeking truth from facts.

Similarly, regulation by market mechanism applies to all enterprises. Socialist production is still commodity production and, since the great majority of products must go through the transaction process, the market must inevitably play its regulatory role. Among textile products, some are not covered by the state plan, and these are naturally subject to regulation by market mechanism. In the case of products covered by the state plan, regulation by market mechanism also plays its role. Many enterprises have reflected that now "we must fix our eyes on the market" and be extremely concerned with the market situation to regulate production and should not simply follow the plan. The enterprises themselves must make arrangements themselves concerning the concrete variety and specifications of the products, according to the market changes. Thus, the role of regulation by market mechanism is extremely extensive.

Although the role of plan and market are different in form and degree in the production and circulation of

different products, they both cover society as a whole; hence, the integration of plan and market cannot be interpreted as simply one portion regulated by plan and another portion by market, and the two then mechanically combined. Rather, there should be reciprocal infiltration, and organic integration is thereby effected. In the integration of the two, the plan manifests the entire body, the macroeconomy, and the direction; hence, it plays the leading role.

Third, the key in the integration of planned economy and regulation by the market mechanism lies in abiding by and consciously applying the law of value and guiding the enterprises' daily economic activities in the direction of planned guidance.

In order to realize planned management, the state must formulate a national economic plan. The national economic plan is formed by the state on the basis of the general development target and the objective demands of economic development. It is the understanding of objectivism by subjectivism, it sets developmental targets, direction, structure, and the geographic distribution of development and it is responsible for the organization of the normal operation and the healthy development of the national economy. The goal of regulation is long-term interests and whole-body interests. The market mechanism employs the law of value to guide the enterprises to develop according to market needs and to develop products that yield high profits and to suppress the reverse. At this point the goal of regulation is to gain partial interests. Hence, planned regulation and regulation by the market mechanism are not entirely unanimous in direction; contradiction exists at times. When the direction is the same, the market mechanism's role propels the realization of the plan, but when in contradiction it lashes at the plan and develops blindly in alienation from the plan's direction. In the integration of plan and market, it is necessary to solve this problem well.

How should the problem be solved? It is possible to adopt compulsory administrative measures to execute the plan. This is necessary under certain conditions; but under ordinary conditions the method of readjusting economic interests may be adopted, that is, abiding by and consciously applying the law of value to realize the plan. For example, under ordinary conditions, prices should correspond to production price and enable the enterprise to obtain average profits. On this basis, the prices of products needing development should be slightly higher than production price; conversely, it should be slightly lower. By so doing, execution of the plan can be relatively smooth. The case of the regulation and control of the production of polyester fiber cloth before and after 1982 may be cited as an example. Polyester fiber cloth was a product developed in the 1970's. Because it was highly welcomed by the consumers, supply was behind demand for a prolonged period and the plan fixed it as a major item for development. At that time, the price of polyester fiber cloth was four times that of plain cotton cloth, the profits of

the plants were very high, and, since the plan and guidance of the market were the same, development of the product was relatively fast. After several years of high-speed development, the situation changed. After 1980, production exceeded sales, there was a sharp increase in stockpiling of the product, and it was necessary to effect certain controls. The relevant governmental departments several times asked for the strict control and cutting down of production according to the plan, but to no avail. It was not until 1982, when the state department adopted certain determined measures that some effects were achieved. The most effective measure adopted was readjusting the price, and the comparative price between cotton cloth and polyester fiber cloth was reduced from the ratio of 1:4 to 1:1.4 and only then was the problem solved. When readjusting the price is not so convenient, we may resort to other measures such as readjusting the tax rate, profit rate, financial subsidy, and so forth. In short, it is necessary to adopt measures to appropriately readjust the economic interests, make the guidance direction of the market and the plan coincide, and at least avoid any large contradictions; only by so doing can the realization of the plan be ensured and can the development of the national economy proceed along the predetermined direction.

Fourth, the concrete form for the integration of planned economy and regulation by market mechanism should differ with due reference to time, state of affairs, and locality.

At present, there are principally three concrete forms for the realization of the state plan: mandatory planning, guidance planning, and regulation by market mechanism. In reality, there may be still other forms. As for the exact form to be adopted in the regulation of the various kinds of economic activities, it is necessary to proceed from reality and suit measures to conditions. Following development of the economic situation, the concrete form may change. For example, the output of cotton yarn was under mandatory planning in the past, but subsequently this was changed to guidance planning. This year, based on the production situation, a portion has been returned to mandatory planning. This kind of change is normal. The problem of the firm insistence on the principle of planned economy is not involved. From now on there will still be this or that kind of change.

There is much discussion on guidance planning at present. The consensus seems to reflect a disregard for its role, and is split in two ways: One part returns to mandatory planning, and the other part, in reality, advocates complete regulation by the market mechanism. This problem needs to be studied earnestly. In my opinion, guidance planning should be a principal form of the integration of planned economy with regulation by the market mechanism. Guidance plans forwarded downward by the state manifest the demands and tasks imposed on the enterprises by the whole national economy and at the same time gives them relatively large flexibility so that the enterprises may flexibly use it based on the market situation. In order to display the

role of guidance planning we must: 1) Raise the scientific character of planning. 2) Set up an effective system of macroeconomic regulation and control and at the same time a new concept of planned economy. In the past, we emphasized that planning was law which bound people's hands and feet. Now the emphasis is on opening up and invigorating. This throws planning to one side. Both of these viewpoints are one-sided and must be rectified.

The textile industry is a consumer goods industry. It provides services for people's daily life. Its volume is large and the area covered is wide, and there are frequent changes. Compared with other sectors, it should better display the role of market mechanism and give the enterprises more autonomous power. It should concretely grasp the principle of being "tight in three respects and loose in three other respects," that is, control of capital construction should be stricter, while control of production should be slightly loosened; control of raw materials and half-finished products should be tighter, but control of end products should be looser; and control of products which are scarce or lacking should be tighter, while control of those products which the market has in plenty should be loosened. We must tightly hold those several targets with a bearing on the situation as a whole. The scale and scope of chemical fiber and cotton spindles determine the development of the textile industry; the resources and distribution of cotton and chemical fibers determine the production of textile products; and the gross volume of exports of textile products has a bearing on balancing the internal and external markets. If all these sides are firmly grasped, then basically it will be possible to maintain the coordinated development of the textile industry and the entire national economy and no serious error or deviation will appear.

3. Firmly insist on the direction of reform and in practice gradually form the operational mechanism for integrating planned economy and regulation by market mechanism.

Implementation of the integration of planned economy and regulation by market mechanism is a new venture. It is different from the traditional unitary planned control and is also different from an entirely free market economy. Hence, there must be new changes ranging from concept to work.

First, reform the method and content of planning work and raise the scientific character of planning. The major points of planning work should be given to long-term development of the national economy and macroeconomic equilibrium, formulating the targets and major points of economic development, determining the industrial structure and major proportional relationships, and balancing the gross volumes of supply, production, and sales, geographic distribution, main economic policies, and so forth. It is necessary to raise the level of planning work and accomplish the feat of making it definitely workable, since only then can it truly play the role of guiding and organizing the national economy. We must

hold tightly to the main targets related to the whole national economy to ensure the plan's realization. Reform of the planning structure will raise demands on the caliber of planning work, and, with the objective demands and the law of value being conformed with and through the raising of the scientific character of the planning work, the prestige and power of planning can thus be established.

The planned control of microeconomic activities should not be too strict. It is necessary that under the plan's guidance, the role of the market mechanism should be put into fuller and better play. Ours is a big country. Its conditions are exceptionally complex. The state plan's control over the microeconomy should not be too detailed and the form should be one of guidance planning to enable the enterprises to have concrete direction and tasks on the one hand and mechanically and flexibly follow the market changes to effect regulation on the other. In the current period of economic improvement and rectification, regarding certain affairs to wholly control them is not possible and to wholly decontrol them is not suitable. We may adopt the method of putting a portion under mandatory planning and a portion under guidance planning, that is, controlling a portion and decontrolling a portion. Of the resources held by the state, we should mainly protect certain enterprises and products that have a relatively large influence on the national economy as a whole. If this is arranged well, then stability of the general situation can be achieved.

Second, establish an effective and flexible macroeconomic regulation and control system. It should rely principally on economic levers, including price, tax rate, interest rate, exchange rate, and so forth, and this should be supplemented with the necessary administrative and legal measures. The several principal overall departments responsible for macroeconomic regulation and control such as planning, finance, currency, and so forth, should coordinate and cooperate with each other and organizationally ensure and protect the unification and functions of the macroeconomic regulation and control mechanism. The functions of macroeconomic regulation and control cannot be entirely centralized in the central government. The various departments and various localities should, under the unified leadership of the state, bear an appropriate portion of the regulation and control tasks. It is necessary to put the role of the specialized departments-in-charge onto full play. Two problems must be solved: One is enforcement of the control over industry and trade. Regardless of the system and ownership system, all should obey the regulation and control of the specialized department-in-charge, and the latter must be endowed with this kind of power. The second is that, in readjusting the policy within an industry or trade, there must be corresponding tactics whereby the specialized department-in-charge and the relevant overall department can jointly decide on matters to change the current situation of the specialized department-in-charge's inability to effect macroeconomic regulation and control and its inability to do anything.

In order to enhance its macroeconomic regulation and control, the state must control financial power and material power. For example, in the case of the principal textile raw materials and semifinished products such as cotton, cotton yarn, and gray cloth, the state must control and have in its hands a definite volume so as to balance supply and demand, stabilize prices, and ensure the normal operation of the market mechanism.

Third, devote efforts to facilitate the growth and perfection of the market. The market is the place for the major activities of the commodity economy. A very important condition for whether or not the mechanism for the integration of planned economy and regulation by market mechanism can be formed is whether or not a developed and perfect market has been established. Since the reform, a number of problems relevant to economic life have appeared; in the circulation sector, for example, there has been a rush to raise prices, seek excessive profits, illegally buy and resell goods by bureaucrats, make false claims in transactions, and so forth. They were caused principally by the market not being well-developed or not in a healthy state. To solve them, a smooth-running and healthy market should be formed and, because of the appearance of certain confusion, we should not proceed to close the market and negate the market altogether. To act in this way would be opposed to the direction of the reform, and often even doubling the efforts would only produce half the effects or fail to achieve the ends. It is necessary to establish markets in a planned and organized manner for major textile raw materials and products, such as chemical fiber, cotton yarn, cotton cloth, and so forth. At present, cotton has been put under special control, but in fact full and complete control cannot be effected. In recent years, an auction market has been tried out for sheep wool. This is a good form, because the existence of an open, public, and legal place for transactions facilitates the state's efforts to control and supervise and to overcome such phenomena as speculation, gambling, and pushing up prices.

The market should be a place where transactions are open and conducted in equality. The various kinds of blockades by localities and intervention by noneconomic means must be broken and prevented. We should gradually form an open market structure of a nationwide scope and, in combination with other sides of the reform, create the conditions for the enterprises to compete with each other in equality and thus fully display the active role of the market mechanism.

Fourth, gradually smooth out the prices and improve market control. Regulation by market mechanism is conducted through the law of value and the key problem of price reform cannot be avoided. At present, the problems with prices are: 1) The prices of some of the products are distorted, their comparative prices are irrational, the prices are not compatible with value, and, as a result, guidance is in the wrong direction. For example, some time ago the cause for the shortage of white cloth in the market was not a problem of raw

materials nor of technology, but the irrationality of the price. 2) Price control has been overly strict, market information could not be reflected in a prompt and timely way, and the market was thus unable to effectively display its role of regulation. 3) Confusion in prices; the single-track system and double-track system have become a multitrack system; the existence of many prices for a commodity provides the opportunity for the speculative and gambling elements and causes great difficulties for normal production. According to our country's national conditions, it would not work if prices were entirely decontrolled; but, seen from the long run, the number of products with prices fixed by the state should be reduced. The prices of the majority of products should be decontrolled, with the state carrying out regulation and control by means of a relevant policy. Suitable timing and opportunity should be chosen for price reform. First of all, adjust the prices which are seriously irrational. With the current market weakness, this opportunity offered should be tightly grasped; certain irrational comparative prices should be adjusted and the prices of certain products should be decontrolled.

At present, many problems have emerged in economic work. Seen from the deep-lying causes, many are not caused by the problems of control itself, but are influenced by other factors. For example, we may mention such factors as "eating from separate pots in finance," the contracted responsibility system, the system of enterprise management and control, and so forth. These problems are extremely complex, affect wide areas, are not simply economic problems, but are influenced by politics; they must be treated with caution and we must not be too anxious for quick results. Yet, if these deep-lying problems are not handled well and solved, then the reform itself will exist in name only, not in fact, outwardly but not basically, with the anticipated objects being entirely missed. During the period of improvement and rectification, it is necessary to adopt measures to ease and solve the current urgent problems, but the measures must be in line with the direction of the reform, and must not cause added difficulties to the reform from now on. At the same time, with regard to the next step in deepening the reform, we must be based on the fundamental line of thought of the planned commodity economy, study and bring up a perfect program, enforce it in separate steps, so the reform from now on can travel less twisted lanes and be carried out more smoothly.

Turn the Drive To Simultaneously Grasp the Two Civilizations Into the Masses' Conscious Action

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[Article by CPC Committee of Jinzhou District, Dalian]

[Text] Our Jinzhou District in Dalian has a population of 560,000, of which the rural population constitutes 400,000. Since the Third Plenary Session of the 11th

CPC Central Committee, our district's economy and other social undertakings have seen thriving development. In 1989, the total social product value reached 4.09 billion yuan, while the gross value of industrial and agricultural output reached 2.56 billion yuan. These figures were respectively seven times and 5.7 times the figures for 1978. Even having suffered serious natural disasters in agriculture, the per capita income of the rural population reached 1,208 yuan, a growth of seven times over the figure in 1978. Work in the areas of education, science and technology, culture, sports, health, and family planning have all jumped into the advanced national ranks and, on many occasions, has been commended by the upper levels. Social order is stable and the social atmosphere is increasingly good. Throughout the district, 123 provincial-level civilized units have emerged and Jinzhou District has been awarded the title of "Civilized District" by the provincial party committee and the provincial government. Looking back over the path traveled in the last 10 years, the most basic reason we have realized such achievements is that, under the guidance of the party's line, principles, and policies since the Third Plenary Session of the 11th CPC Central Committee, and proceeding from the actual situation in Jinzhou District, we have firmly and unwaveringly adhered to simultaneously grasping the building of the two civilizations.

After the switch in the party's work focus, Jinzhou District, like the whole country, was freed from the fetters of "taking class struggle as the key link," and there quickly emerged a high tide of enthusiasm for developing the economy. This brought swift development to the economy of the whole district. However, at the same time, backward practices in society also raised their heads. Some people had full wallets and empty spirits and, as they were wealthy, they engaged in a big way in gambling and in staging ostentatious marriages and funerals. Some people became modern in terms of material enjoyment, but remained completely ignorant in terms of culture. Some people were personally wealthy, but they felt no sense of responsibility to the collective or to society, and their relations with other people became distant. They cared only about becoming wealthy and did not scruple to harm others to benefit themselves. In some villages, although the masses were wealthy and it seemed that every household was a 10,000-yuan household, there was no improvement in the appearance of the village. They modernized the interiors of their houses but left the external environment dirty and in a mess. Such situations caused us to realize that when peasants become rich, although they aspire to culture, beauty, and music, they are unable to spontaneously move toward civilization. Taking economic construction as the center did not mean that we could ignore and relax in the building of spiritual civilization. Thus, beginning in 1982, at the same time as stressing the shift in the focus of our work to economic construction, we also put forward requirements in terms of building spiritual civilization. We discovered that some comrades had a confused understanding of simultaneously grasping the

two civilizations. First, they saw the building of material civilization as a very important task in which results could be seen quickly, while they considered the building of spiritual civilization to be a less important task in which results would be seen more slowly. Thus, they stressed the building of material civilization and looked lightly on the building of spiritual civilization. Second, they thought that the building of spiritual civilization required a certain material base and claimed that only by laying down this base could they engage in the building of spiritual civilization. Thus they never put the building of spiritual civilization on the work agenda. Third, they felt that if one did well in building material civilization, spiritual civilization would naturally follow. Faced with such a situation, the district committee deeply felt that if they were to turn the simultaneous grasping of the two civilizations into the masses' conscious action, the most basic issue was to raise the ideological understanding of the broad masses of cadres, so that they would come to understand that the two civilizations were like the two wheels of a cart or the two wings of a bird and that neither could be dispensed with. Thereby, they would make the simultaneous grasping of the two civilizations the conscious action of the masses.

In accordance with the guiding ideology of simultaneously grasping the two civilizations, we took the building of a Jinzhou District which was politically stable, economically prosperous, environmentally beautiful, and culturally rich as our goal of struggle. In order to promote the coordinated development of the building of spiritual civilization and material civilization and guarantee the realization of the above-mentioned goal, we stressed the grasping of work in the following four aspects:

1. Grasping the Mechanism:

If we wished to achieve the coordinated development of the two civilizations, we not only needed a correct understanding on the ideological level, but also needed a movement mechanism for guaranteeing coordinated development, and to restrict and standardize the activities of the grassroots leaders. Beginning in 1982, we implemented on a trial basis, in the various townships and small towns, double-percentage competitions. These have been sustained for eight years. At the beginning of the year, the work tasks in the building of material civilization and the building of spiritual civilization were split into a number of projects, and clear, specific requirements were made of each township and small town. At the end of the year, their achievements were assessed using the double percentage form and percentages awarded for the quality and scale of the results. The work tasks in every year were fixed on the basis of the strategic arrangements by the central authorities and the requirements of the upper level party and government organs, in light of the actual situation in Jinzhou District. The points were then allocated to the tasks in accordance with their difficulty and importance. At the end of the year, advanced units were selected, cadre achievements were appraised, and year-end bonuses were

decided on the basis of the points obtained by the various townships and small towns. It was stipulated that if any task assigned in the building of the two civilizations did not achieve a certain level, the unit could not be included in the list of advanced units. Later, we gradually extended this system to enterprises and neighborhoods and thereby systematized the practice of "grasping the two civilizations together, carrying out the two tasks together, assessing the two aspects together, and requiring results in the two aspects together." This practice introduced the mechanism of competition into the building of the two civilizations and thereby deepened the general calls to work into clear requirements for work and supervision of that work. The double-percentage competition activities have played a very great conditioning, spurring, and encouraging role on grassroots cadres and have effectively motivated the enthusiasm of all townships, small towns, and neighborhoods to grasp the building of spiritual civilization. Even some very difficult work has been earnestly and effectively carried out. For example, the work of family planning and funeral reform is very difficult. However, as we included this work in the double-percentage competition activities and adopted other necessary measures, the results have been very pleasing. The family planning rate has been maintained at above 99.9 percent for six years, while the cremation funeral rate has been 100 percent for seven successive years.

2. Grasping the Orientation:

Both economic construction and the building of spiritual civilization have a clear political orientation. For many years, we have persisted in taking the socialist orientation as the overall guiding ideology in commanding the building of the two civilizations. We have firmly and continually carried out education among the cadres and the masses in the basic theories of Marxism-Leninism; the party's line, principles, and policies; and the long-range ideals of communism. Also, in various ways we have carried out education in the joint ideal of "realizing the four modernizations and invigorating China," education in the socialist morality of "loving the motherland, loving the people, loving labor, loving science, and loving socialism," education in the revolutionary traditions of "hard struggle and selfless devotion," and education in the transformation of social habits and customs. In the process of education, we have adhered to unity of communist long-range ideals and doing well in one's professional duties. In this education, we have tried to integrate it with reality and stress real results. We have developed the activities of studying and propagating the actions of persons who have made contributions to their hometown, and successively published "Well-Known Personages of Jinzhou," produced radio programs focused on the achievements of these persons, and held various report meetings, forums, and exhibitions. We have also compiled local teaching materials for language and political classes in primary and middle schools, incorporating the achievements of well-known persons in the hometown. Jinzhou is the hometown of

Guan Xiangying [7070 0686 2019], a proletarian revolutionary of the older generation. In order to ensure that the people of his hometown remember his achievements and spirit for generation after generation, we built a Xiangying Memorial Hall, a Xiangying Public Square and a Xiangying Park, while the party and CYL [Communist Youth League] members donated money to build a Xiangying statue.

Grassroots-level party organizations also stressed stress using the achievements of local advanced model personages to educate the masses. The villagers of Houshi Village donated funds to erect in front of the village a statue to the martyr Wang Fuqing [3769 4395 3237] who rendered outstanding service in the struggle to oppose the United States and assist Korea, so that the people of the whole village would take him as a model and give play to a spirit of selfless dedication. Many villages have established lists of heroes and lists of achievements in their cultural halls so as to stimulate the people to exert themselves and struggle arduously. We have widely developed in the urban and rural areas activities encouraging efforts to become civilized units, "five-good" families, to jointly engage in military and civil construction, and to jointly build the factory and the neighborhood, thereby widely spurring enthusiasm on all sides. These efforts have resulted in the idea of adhering to the party's basic line and adherence to the four cardinal principles taking root among the cadres and the masses. At the same time, unhealthy trends and practices and bad customs and habits have been effectively resisted. In society, new practices such as stressing sacrifice, stressing culture, and stressing science, arranging marriage matters in a new way, using money for the living rather than for funerals, respecting the aged and loving the young, and fraternal unity have been gradually established, and the masses have, with new attitudes, moved toward new lives.

The economic base has a determining effect on people's ideological concepts. In developing the economy, we must also pay attention to maintaining a socialist orientation and guiding the masses along the road of joint prosperity. In terms of the rural areas, on the one hand we have stabilized and perfected the system of contractual operation by families and done well in the two-level operations, developed social services, promoted operations of a suitable scale, and guided the peasants to correctly handle the relationship between the interests of the state, the collective, and individuals. In another respect, we have positively and stably developed a new collective economy, especially the village-level economy. We believe that, in places with the conditions, the continuous development of a large collective economy will not only be important in realizing socialist common prosperity, but will also have major significance in guiding the masses to establish a collectivist concept and to consciously adhere to the socialist road. This will also assist in strengthening the centralizing capacity of the grassroots party organizations and in consolidating grassroots political power. Over the last several years, the

rural collective economy of Jinzhou and especially the township and small town industries, have seen swift development. In the industrial and agricultural output value of the rural areas, the collective economy comprised over 80 percent. Of the 238 villages in the whole district, over 30 had annual gross industrial output in excess of 10 million yuan, while 212 had output value in excess of 1 million yuan. Fifty-one of the villages had industrial profit and tax figures in excess of 1 million yuan, while over 85 percent of the total number of villages had collective retained income of over 100,000 yuan. The development of the collective economy guarantees that the broad masses of peasants will travel the road of common prosperity, will guard against polarization and provide possibilities for further developing social service organizations, for promoting sustained, stable, and coordinated development of the economy and for promoting the building of spiritual civilization in the villages. More important, it ensures that the superiorities of socialism are increasingly fully manifested and allows the masses to see brightness and hope.

3. Grasping the Education of People:

Raising people's ideological and moral level and their qualities in terms of science and culture is a basic task in building socialist spiritual civilization. In the process of promoting the building of the two civilizations, we have always placed the raising of the quality of the people of Jinzhou District in the most prominent position. In order to carry out basic education well, we have not begrimed the initial costs and have invested about 50 million yuan in education at the district, township, and village levels. Educational investment just at the regional financial level exceeded 10 million yuan in 1985, and in 1989 it reached 22.37 million yuan, an annual growth of over 20 percent, greatly exceeding the 12.3 percent annual growth in regional finances. In their practice, the cadres at various levels have come to understand that in the four modernizations, education must take priority. Stressing education, supporting education, and removing the difficulties of education work have become the conscious actions of cadres at all levels. Many townships, small towns, and villages have first constructed school buildings rather than build offices, and private individuals often contributed funds to build schools. Every year, a number of high-grade school buildings have appeared in the district's urban and rural areas. It can be said that the best buildings in the villages of the district are the schools. The schools at all levels implement the party's educational line in an overall way and teach and foster people. In all aspects of their work, they have leapt into the advanced ranks of the province. In 1987, our district was awarded the title of "National Advanced County/District in Basic Education" by the State Education Commission. Now, the whole district has basically formed a complete education system, which includes various types and levels of professional and technical education. In addition to classroom education, other mass cultural, educational, and science and technology activities have been widely developed. Every

year, activities such as the hundred-flowers meeting, the sports meet, the enjoy-the-cool-evening party, the calligraphy and painting exhibition, the knowledge quiz, and the skills competition are always vibrant and vivid occasions and the more prominent successes have earned Jinzhou District the titles of "peasant artists' hometown," the "track-and-field hometown," the "soccer hometown" and the title of "National Advanced Unit in Propagating Science." At the 1988 summer arts festival in Dalian, the performance of a program by the peasants of Jinzhou District brought the arts festival to a climax and it was widely acclaimed by artists from around the country. The Ministry of Culture especially invited them to perform this program in Beijing at the Spring Festival greeting get-together held in the Great Hall of the People, and they performed for the ambassadors of various countries and people from the capital. Following this, they also performed in various tertiary institutions around the capital and every performance was crammed with spectators. Finally, they returned home in glory. Jinzhou District gave birth to the first-ever peasant brass band in China, and last year the band flew to Japan to perform and demonstrate the fine style of peasants of modern China. In Jinzhou District, over 200,000 persons engage in sporting activities all through the year. Over the last 10 years, over 520 athletes have been provided to represent the country, the province, or the city. Various types of science and technology societies which have been spontaneously organized by the masses have proliferated in the urban and rural areas and these have played an increasingly important role in having science and technology promote agriculture and in having people become prosperous through hard work. The improvement of people's qualities not only accords with the demands of reform and opening up and promotes the development of the commodity economy, but also means that lifestyles and practices become more scientific and more civilized.

4. Grasping the Basic Level:

If we were to seriously implement the building of the two civilizations, we had to put great efforts into grasping the basic level well, in laying down a base and in motivating the enthusiasm of the cadres and masses at the grass-roots. Over the last few years, the district committee and district government, in light of the realities of the rural areas in Jinzhou District, put forward the policy of tilting the work focus toward the village level. First, we seriously grasped well the building of party branches at the village level. Over the last four years, we readjusted over 120 village party branch members, including 90 branch secretaries. There has been a marked improvement in the political, educational, and professional qualities of the members of leading groups of village party branches and groups and, in particular, of the branch secretaries, and these persons have played a leading role in building the two civilizations. After the villages implemented the output-related contract responsibility systems, the production teams under the villages gradually disintegrated as a management level and thus, in some

areas, the party organizations actually lost control over the management and education of the broad masses of peasants. In order to rectify this situation, on the one hand we put efforts into grasping well the political and ideological education of party members, and developed "three fors" activities, whereby party members sought benefit for the people, glory for the party, and made a contribution for the building of the two civilizations. This brought fully into play the advanced model role of party members. On the other hand, we widely developed "party member-linked household civilized groups" activities and activities where "the two committees grasped the two groups and the two groups grasped two households." (In these activities, the village party branches grasped the party groups, the party groups grasped party members, and party members grasped the liaison households; the village people's committee grasped the village people's groups, the village people's groups grasped civilized service groups, and the group members directly connected with the households.) This effectively resolved the problem of getting the party's principles and policies and mass ideological and political education into the households. Over the last two years, we also designated 30 villages as low-income and backward villages and, adopting the "counterpart assistance" method, assisted these villages in changing their backward situation as quickly as possible. Obvious results have been achieved in this. As we have stressed the grasping of the basic level, we have provided a quite firm base for all aspects of work, and the party's principles and policies and every call of the district committee and district government can be effectively passed down and implemented.

In practice, we have realized that if we are to seriously grasp well the building of the two civilizations, not only do we have to build the two civilizations and have them provide conditions for each other and promote each other, but in the specific work of building spiritual civilization, we must also handle well the various internal relationships. Over the past few years, we have put efforts in seeking to correctly handle the following several relationships:

I. The relationship between the general and the specific. The building of socialist spiritual civilization is an overall process involving work in various spheres, including politics, ideology, culture, education, science and technology, art, sports, and so on. Only by persisting in overall grasping of these aspects, and guarding against and overcoming biases where one aspect is stressed at the expense of other, will we be able to bring into play overall efficacy in building spiritual civilization. However, grasping in an overall way does not mean that all aspects of work must be given equal weight or that they must be given prominence in rotation. At the same time as developing work in the various aspects, we must always stress grasping the crux and grasping the major contradictions. The focus of the building of socialist spiritual civilization, through using Marxism-Leninism and Mao Zedong Thought and scientific and cultural

knowledge to educate people, is to raise the ideological and moral qualities and scientific and cultural levels of the people. Thus, in the building of spiritual culture, we have particularly stressed the basic goal of "everything must be for educating people." The overall form of building spiritual civilization has education in communist ideology as its main thread and a stress on education as its characteristic. This combination of grasping the entirety and grasping specific aspects allows the general goal of building socialist spiritual civilization to be seen as the main goal, while focal points are also given prominence. It allows the major aspects to spur the supplementary aspects and for there to be coordination between the major aspects and the supplementary aspects, and this brings overall prosperity and development to the various aspects of work in building spiritual civilizations.

2. The relationship between sudden attacks and sustained effort. In building spiritual civilization, some work requires concentrated efforts at a certain time, and a high level of effort is required to complete the task. At the same time, we must pay attention to daily consolidation work and avoid a tendency to making sudden efforts whereby work is carried out perfunctorily. There is thus a need for sustained down-to-earth work. In the practice of work, we have stressed these two aspects. Through collective grasping, we have opened up the work situation and, through regular grasping, we have ensured the sustained, continuous consolidation and development of work. For example, in developing the activities of studying Lei Feng, we set down the first week of March as Lei Feng Spirit Propagation Week, and March as Learn From Lei Feng Activities Month. In this period, we mobilized the masses to take to the streets to engage in collective propaganda and education. On this basis, we also formulated annual plans for studying Lei Feng and established Sunday "Study Lei Feng To Serve the People" stations to be manned in rotation by different units throughout the year, promoted study Lei Feng standards for work posts, and arranged quarterly assessments, and thus resolved the problem of "Lei Feng entering the household in March and departing in April." In the work of improving the overall environment in urban and rural areas, we first motivated the cadres and masses for 80 days to get rid of some rubbish eyesores, and resolved a few difficult problems, thereby bringing obvious improvement to the environment. Thereafter, we set down responsibilities by district, established systems and strengthened management measures so as to consolidate the achievements in improvement and ensure long-term maintenance of a clean and beautiful environment in the rural and urban areas. In recent years we have developed education in revolutionary traditions, education in socialist ideology, the study and propagation of heroic hometown models, stressed using money to assist the living rather than wasting it on funerals, and stressed the changing of established customs and practices. At first, these reached a climax for a period and then, as months followed days

and as the days turned into years, these activities gradually became systematized and standardized and thus these education activities gradually took deep root in the people's hearts.

3. The relationship between ideological inculcation and including education in recreation. Ideological inculcation is a necessary measure in building spiritual civilization. However, if inculcation is monotonous in form, it will inevitably bore people. This demands that, at the same time as we persist in inculcation, we must supplement this with healthy and cultured entertainment activities loved by the people and, through these activities, exert a subtle influence on the ideological mood and spiritual state of the people, and thereby achieve the aims of education. We must seek to put in order the relationship between inculcation and including education in recreation. We must both oppose the tendency to not consider the real results and thus spout dry-as-dust doctrine, and must also oppose the tendency to give up inculcation and oppose the trend to replace education with recreation and the adoption of laissez-faire attitudes. In order to concretely grasp the relationship between the two aspects, on the basis of many years of practice, we summed up the main tasks of ideological and political work and the various methods we should adopt to achieve these tasks, and, considering these a model for carrying out ideological and political work and the building of spiritual civilization at the current stage, included them in our district's "Provisional Regulations on Ideological and Political Work," so that the grassroots had something to follow in grasping and handling the relationship between ideological inculcation and including education in recreation. Through the combination and mutual supplementing of these two aspects we have obtained quite good results.

4. The relationship between opening to the outside and adhering to the socialist orientation. Jinzhou District is in a forward position in opening to the outside world. Following the increase in external contacts, people's fields of vision have been broadened, and they have learned many advanced technologies and management experiences from abroad. However, at the same time, the decadent bourgeois ideas and lifestyles of the West as well as negative and backward things have also had a corrosive effect on people. In carrying out the building of socialist spiritual civilization under such conditions, we must firmly maintain the socialist orientation and strive to carry forward and bring into play our glorious revolutionary traditions and the outstanding legacy of our national culture, and sum up and propagate the successful experiences and advanced examples we have created ourselves in the spiritual field. In order to consolidate and expand the socialist front in the ideological and cultural sphere, we have, with one hand, grasped enrichment and, with the other hand, grasped readjustment. In one respect, we have put great effort into enriching the cultural lives of the masses. In another respect, we have broadened and deepened the struggle to "sweep away pornography" and eliminate the "six

evils," struck at and eliminated evil phenomena such as superstition and gambling, and cleaned up the social atmosphere. As we have stressed the proper handling of the relationships between opening to the outside world and adhering to the socialist orientation, and promoted the healthy development of the building of spiritual civilization, we have created a social environment beneficial to socialist modernization.

5. The relationship between the grasping of "hardware" and the grasping of "software." The building of spiritual civilization requires arenas, equipment, and facilities to satisfy the people's demands for education and molding, for development of cultural activities, and for enriching spiritual life. This is the "hardware" required to build spiritual civilization. Over the last few years, we have made very great efforts in this respect and increased cultural and sports facilities, opened up special scenic spots, and improved the environment in both urban and rural areas. All of these have played a role which cannot be overstressed in raising the level of the district's spiritual civilization. However, in practice, we have come to understand that the building of hardware is restricted by financial, material, and other objective conditions and there is a certain gap between what is achieved and the ever-growing demands. If, without considering the objective conditions, there is blind pursuit of large-scale and high-standard hardware, it will inevitably increase our burdens and could easily give rise to formalism. Thus, in actual work, we stress that we must proceed from reality and act in accordance with our capabilities. We have affirmed that the building of spiritual civilization requires a certain material base, but we have not looked at this in isolation. In the building of "hardware," we have greatly advocated thrift and hard work, doing things simply to save money, rational planning, and comprehensive utilization. At the same time, we have also repeatedly stressed that the negative attitude, which holds that, because "hardware" is insufficient, one cannot give serious thought to or attempt anything in the area of "software," is an undesirable one. Only if we organically combine the two and have them supplement each other and promote each other can the overall building of the two civilizations be enlivened.

Uphold the Unity of Subjective Efforts and Objective Reality, Speed Up Development of Mountain Areas

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[Article by Xu Xiaochun (1776 2556 2504), secretary of the Xianning Prefectural CPC Committee]

[Text] Agriculture is a basic industry which affects the overall situation of our national economy. Speeding the development of agriculture is an important avenue in and major aspect of agricultural development and invigoration of the rural economy. Doing well in developing agriculture requires certain conditions in terms of personnel, material, and finance. At the same time, it

requires an ideological understanding that is suited to the objective realities. The various leaders must have a scientific world view and methodology and, in accordance with the demands of materialist dialectics, they must uphold the unity between the subjective and the objective and strive to provide correct guidance for agricultural development. That is to say, in the relationship between the subjective and the objective, it is necessary to uphold materialism and guard against and oppose idealism in agricultural development. Also, in handling the relationship between the subjective and the objective, it is necessary to uphold dialectics to guard against and oppose metaphysics in agricultural development. This is the deepest philosophical enlightenment we have gained in the practice of agricultural development in mountain areas in recent years.

I. Upholding objective reality in understanding things, unifying subjective hopes and objective local conditions.

The unity of the subjective and the objective is a precondition for recognizing the objective reality of the material world, because the unity of the world lies in its material nature. Matter is an objective reality which exists independently of man's subjective consciousness. Idealism does not recognize this precondition and thus it is characterized by its "splitting of the subjective and the objective and divorcing cognition from practice."¹¹ This shows that, in the process by which the subjective and the objective play mutual roles, it is the subjective which relies on the objective and not the other way around. If we strive to have our own understanding approach and conform with objective reality, our work methods will be correct and we will be effective in transforming the objective world. If not, then even if we have fine hopes of transforming the objective world, our efforts will not be successful and may lead to a waste of manpower and resources. Our prefecture's agricultural development has had such experiences and lessons.

Our Xianning Prefecture is located in the mountainous area of southern Hubei. It has rich natural resources and the people who were born and bred in the area have put great efforts into their natural resources and engaged in development activities time after time. However, there have been both successes and failures. At some times in the past, because of the influence of voluntarism, the consideration of problems and the handling of matters was divorced from the conditions of the locality and the villages and some areas engaged in stupid activities like "wildly cutting down forests, wildly digging up resources and trying to engage in iron and steel smelting in a big way." Others engaged blindly in "destroying forests to plant fields and reclaiming lakes to plant rice." The result was that, although the key points were kept in mind and although the sweat continued to flow, no great change in the poor situation of the mountain areas was realized. This really caused people to wonder: Is it wrong to develop agriculture? Why are objective results and subjective wishes always divorced? The reflection causes us to deeply realize that the cause of the problem was not that the poor situation of the mountains and rivers could

not be improved, but rather that the subjective wish to develop these resources in these areas was divorced from objective realities. This naturally led to a separation between the subjective and the objective and a breach between reality and hope. Achieving a unity between the subjective and the objective generally refers to two aspects: The first involves whether or not the subjective can reflect the objective world in an overall and complete way. The second involves whether or not the subjective can reflect the most essential aspects of the objective external world. As far as the development of agriculture is concerned, understanding the essential aspects refers to understanding the local conditions and seeking the basic patterns of agricultural development. In the past, we either could not sufficiently fully understand the objective external world, or else, in understanding the objective world, we could not grasp the essential aspects and patterns of things. Thus, in practice, mistakes were difficult to avoid. Drawing on the experiences and lessons of history, we have persisted in proceeding from the objective conditions, and in recent years there has been a high tide of agricultural development. In this development, the comrades of the prefectoral committee and the administrative office led the way in going deep into the real situation to carry out surveys and research. They stressed guiding the broad number of cadres and the masses in correctly analyzing and understanding the local situation, organized the local scientific and technological personnel and also asked experts from other areas to carry out examinations of the local situation. They also regularly called conferences to discuss and demonstrate the appropriateness of development strategies. In this way, understanding at all levels, high and low, was unified quite well with objective reality. Xianning's most obvious local characteristics are that it has seven mountains, a river, and fields cover only 20 percent of its area. It thus has rich natural resources and quite great potential for diversified operations. However, the economic base is, generally speaking, quite weak. It is a mountainous area, a border area, an old liberated area, and a poor area. While centering on these basic local conditions, we could not relax our efforts on the 2.92 million mu of cultivated land. Nor could we relax our efforts on the 12 million mu of mountains and river areas, or relax our efforts toward the 132 types of mineral resources which lie under the ground or toward the 106 types of aquatic product resources. In order to change the situation where these advantages were not being taken advantage of and these riches were not making us wealthy, the prefectoral committee proposed: "We must speed the development of the hills and rivers, greatly develop the cultivated areas, widely develop animal husbandry, and develop systematic processing." To this end, we organized the people of the prefecture to go to the mountains to plant pines and firs on the distant and high mountains and to plant fruit and tea on the hills nearby, and had tens of thousands of household engage in the courtyard economy. As for using the water areas, we arranged for people to raise fish in lakes and reservoirs, had them dig ponds near the banks of rivers to raise fish, and many small ponds and weirs

were turned to raising fish. In animal husbandry, we used 4 million mu of plains to run cattle, sheep, and rabbits. In respect to secondary and multiple development of resources, we arranged processing of forestry, medicinal, fruit, tea, and aquatic products, by which additional value was added to the products. In deepening the development of cultivated areas, we adopted a planning model whereby we optimized crop rotation between wet and dry crops, planted crops suited to the various seasons, and coordinated different types and varieties of crops. Today, there are 2,690 tree farms, tea estates, fruit gardens, and fish farms, with an operational area of over 7 million mu. Agricultural development is now seeing an unprecedentedly flourishing scene and a large number of peasants are now on the road by which they will throw off poverty and become prosperous.

The experiences and lessons clearly show that whether or not agricultural development is successful depends on whether the development activities are correct or not, and this in turn is determined by whether or not there is a complete understanding of local situation. Only if one proceeds from reality, understands the natural world in an overall and objective way, and accurately grasps the local situation in the region will agricultural development be able to see real progress and results. Otherwise, in practice, it will meet setbacks. But, speaking truthfully, although we had always spoken much about proceeding from reality and adhering to the unity of the subjective and the objective, we previously did not, as we have now, deeply and concretely understood the rich contents and important methodologies contained in these statements.

2. Upholding subjective dynamism in understanding things, unifying the spirit of combating nature with respect for the objective patterns.

All human activities have certain subjective tendencies and demands, include certain motivations and aims, and involve dynamic transformation of the world in accordance with the person's needs. Once this positive force is combined with a scientific attitude, not only is it possible to dynamically disclose the innate patterns of the objective world, but it is also possible to utilize the patterns to produce wealth for mankind. It is on the basis of this requirement that we persist in using the methods of ideological arousal, motivation through policies, encouragement through models, and spurring on through service to fully motivate great enthusiasm among the cadres and masses for developing agriculture. There has thus begun to appear a vibrant situation of thinking about development, talking about development, and engaging in development. In terms of the levels involved, the counties and cities are engaged in it, the townships and small towns are engaged in it, and the rural households are engaged in it. In terms of the projects, there are planting, animal husbandry, and fish-raising, and there is processing. In terms of scale, there are 10,000-mu bases, 1,000-mu linked-tract bases, and 100-mu gardens and orchards. Here, the subjective initiative of the cadres and masses is fully manifested and "everything

"depends on human efforts" has been turned from a maxim into the people's conscious actions.

Of course, bringing into play the people's subjective initiative does not mean that people can do what their subjective wishes dictate. Comrade Mao Zedong said, "If people want to achieve victory in work, to achieve their anticipated results, they must ensure that their ideas are in accord with patterns of the objective external world. If their ideas are not thus in accord, they will experience failure in practice."¹² In agricultural development, the cadres and the masses have understanding, demands, and zeal. These are indeed valuable. But we must ensure that these are established on a scientific attitude of respecting objective patterns. No matter what, we cannot allow the masses' sweat to be wasted. The masses say: "We are not afraid of hard work, but we do fear blind and wasted work." This is not an excessive fear. For example, in planting trees to produce forests in the past, stress was placed on production rather than management. They grabbed the new and abandoned the old, but did not stress science. The result was that the years spent planting went to waste. Some villages blindly developed duck farming, but ignored how to obtain feed for them and ignored the market situation. As a result, they were to rear the ducklings and unable to even sell them. The only way out was to mobilize the masses to eat "cherish-the-people ducks." All sorts of situations show that if one does not respect objective patterns, one will be punished by those patterns. Thus, protecting and guiding the masses' enthusiasm for development and establishing subjective initiative on the basis of respect for objective patterns is supremely important. Thus, in our development plans, we have changed from blind rushing into work to scientific guidance, combined the advantages and shortcomings, used one to support the other, and, in the scale of development, changed the excessive scale of projects to a more appropriate operational scale. The state-run, collective, and joint household operate "major bases" and the tens of thousands of households run courtyard economy "small bases." In planting crops, we changed the system where everyone planted the same thing to one where people grow whatever their land was suited for, be it grain, timber, or fruit. Thereby, we gradually formed an ecological and agricultural situation where "the tops of the mountains were planted with pine and fir, the middle slopes were planted with nanmu tree and bamboo, the foothills were planted with tea and flax, the fields were filled with grain, and the lakes provided a place to grow aquatic products." In terms of operational management, we changed the situation where development was stressed and management ignored, to where both were given stress, and we achieved a situation where "when a base is opened up, some personnel are left there, housing is built, specialized operations are implemented, and enterprise management is instituted." In terms of development benefits, we changed the situation where there were diverse products but no commodities, to a situation where costs, output, accounting, and benefits are stressed. Since we

did this, there has been a great improvement in the level of agricultural development and in comprehensive benefits.

Practice has proven that, to do well in agricultural development, one must have a scientific attitude and a down-to-earth work style. It is also necessary to fully bring subjective initiative into play and have a creative spirit of great daring and full revolutionary zeal. If, with the excuse that one is respecting objective patterns, one looks lightly on or ignores the role of the subjective initiative of people, is over-cautious in work, and takes a wait-and-see attitude, that is not a materialist attitude, but rather a metaphysical world view and a cowardly way of acting. This is one side of the coin. The other side is that, if we one-sidedly exaggerate the peoples' subjective initiative and, ignoring the objective patterns, blindly engage in work on the basis of sudden whims, we will not be brave adherents of practice, but rather crude and rash operators. Thus, the way communists engage in undertakings is to unify the bringing into play of subjective dynamism and respect for the objective patterns. Engaging in agricultural development is like this and doing all other work is also like this.

3. Upholding the complexity and diversity in understanding things, unifying the universal policies in developing agriculture with the specific practice of special policies for special products.

The unity of the subjective and the objective is a complex process. The real world is not rigid and mechanical. There are differences in the internal natures of things, contradictory movement has a specificity, and the external conditions are very complex. These factors determine that the unity of the subjective and the objective cannot be a simple unity. Even in a particular thought mode, if one uses a fixed model to observe everything and one lacks an attitude of concretely analyzing concrete problems, one certainly will not achieve a unity between the subjective and the objective. Our work practice has repeatedly proven this point. From this we can see that, in the agricultural development of the mountainous areas, we cannot use a single method or a single path to resolve widely divergent specific problems. This is because agricultural development in mountainous areas is different from development in other regions, and development in one mountain region will be different from development in another mountain region. The different parts of the same region will also have their own specific development natures. Thus, if we want to seriously implement the state's major policies on strengthening the agricultural base and strengthening agricultural development, we must actively seek in practice specific measures and methods which have local characteristics and must, at the same time, have district-wide unified requirements and widespread calls. We must also stress the objective conditions and specific creations at the grassroots. Thereby, in the process of unifying the subjective and the objective, we will achieve the unity of commonality and individuality, the unity of the general and the specific.

As in other work, in agricultural development, policy is a major matter. Thus, in the formulation and implementation of policy, we should as far as possible do good work in accordance with the innate characteristics of agricultural development in the mountain regions. First, we have to fix rights and jurisdiction over mountain forests. In the high mountains, distant mountains, and undeveloped waters and beaches which come under the collectives, development can be organized by the collectives. Individuals should also be able to develop them under leases. As for the mountains which are considered private-use mountains and mountains for which peasant households have responsibility, the clear policies will not change and self-development and participatory shareholding operations should be encouraged. Second, we should implement multilevel operations. The state, collectives, and individuals can all participate in development and they must be allowed to break down the barriers between regions and the divisions between ownership systems. Third, multilevel input is encouraged. The four levels of township, village, group, and household must formulate rational input volumes. The implementation of development projects and development input must be linked to projects to shake off poverty, linked to some of the grain the state must resell to poor mountain regions, and linked to some peasant funds. Fourth is rational division of benefits. Through joint development projects, in accordance with the benefits and number of participatory shares held, we should implement rational division of benefits, sign contracts and have them legally notarized, and thus guarantee that the rights and interests of the operators are not violated. These policies and measures will both manifest the masses' practice and also provide guidance for the masses' practice. Various areas have, in accordance with these policies, given play to their superiorities, given prominence to key aspects, and formed their own key projects and backbone products. For example, in the past Zhaoliqiao Township under Puqi City was a poor place cursed by its stony ground. Now it has turned its troubles into its fortune, and using stones as its major resource, developed and now operates a lime factory, a cement factory, a light calcium factory, a heavy calcium factory, a bleaching powder factory, and other enterprises, producing 28 types of products. Each ton of stone, which they obtain for several yuan or 10-plus yuan is given added value through processing and is then worth over 1,100 yuan per ton. Zhaoliqiao Township has become known near and far as "Stone City." There are also many other areas in the prefectures which have developed osmanthus flower, tea, fruit, flax, and weaving industries and have formed their own economic characteristics.

Facts show that when a correct policy is integrated with the great practice of the masses, great social and material wealth can be produced. Of course, in this, one cannot divorce oneself from implementation of the major policies or from providing specific guidance for mass practice. Seen from the experiences and lessons of the past, the major problems are that people stress various principles but forget that these principles should be unified

with the actual specific conditions. People stress general calls, but forget that specific guidance has to be provided in accordance with the time and place. People stress the necessary demand for unity but ignore the enthusiasm of the various areas for self-development. Thus, it is difficult to unify upper level enthusiasm with lower level enthusiasm, and it is difficult to achieve unity between overall development strategies and regional economic characteristics, or achieve unity between the goals of development and the actual results. As we are now laying stress on doing well in providing unified guidance in agricultural development, we have been able to creatively open up the work situation.

4. Upholding the contradictory development nature in understanding things, unifying the deepening of understanding with the deepening of development.

The unity between the subjective and the objective is relative rather than absolute. It is developing and changing rather than closed and static. It is a unity under certain conditions and at a certain stage, not a permanent unity for all time and under all conditions. This is because matter moves, things develop, and situations change. People's understanding cannot remain at one level. The objective world and its limitless development determine that the unity of the subjective and the objective is inevitably a process of unlimited development and continuous development. In terms of agricultural development, our understanding and practice will go through a process from a shallow level to a deeper level. At present, the deepening of understanding means understanding that the deepening of development and the achievement of unity between the subjective and the objective at a new level are an innate demand if agricultural development is to achieve breakthrough achievements. We have persisted in combining the two and doing well in concrete work.

On the one hand, we have used progress and pleasing achievements in agricultural development to further raise the understanding of the cadres and the masses. Generally, understanding is relative to practice and it is always difficult to avoid a certain degree of conservatism and sluggishness. This is particularly the case in mountain areas where the commodity economy is undeveloped, and it is inevitable that the deepening of people's understanding of agricultural development will be subject to some restrictions. It is thus necessary to resolve problems of understanding and provide rational guidance. At the same time, we have relied on the enlightenment of practice. In order to not let the subjective fall behind the objective and thus affect the unity of the two, we have guided the peasants to stress the benefits of development, to stress the opportunities which development provides for surplus labor, to stress that development is an objective demand for throwing off poverty and becoming prosperous and stressing the potentials and prospects of development to overcome the idea of "wanting to see results before adopting changes" and the idea that "the potential is not great." We have thus changed the self-sufficiency mentality of some peasant

where they were happy to have "a few lotus-roots for feasts, a few peanuts for celebrations, and a few mandarins [oranges] to eat themselves," and thereby have quickened the pace of agricultural development.

On the other hand, we have stressed the deepening of understanding, and promoted the deeper progress of development. We cannot stress enough the positive practical effects of correct understanding, while, conversely, subjective understanding which is restricted by the objective aspects, can also influence objective aspects. There is a close relationship between the degree of subjective understanding and the depth of agricultural development. On the basis of deepening understanding, our agricultural development has experienced progress in depth and breadth. First, we have done well in development of the scale of operations. At present, there are, in the prefecture, 58 linked-tract bases of 10,000 mu or more, 125 linked-tract bases of 1,000 mu or more, 1,750 linked-tract bases of 10 mu or more, and over 8,000 peasant household courtyard economy undertakings with sizes generally in excess of 4 mu. Second, we have done well in systems development. The flax and weaving systems, stone systems, bamboo and wood systems, and the mineral products systems have all realized achievements in development to differing degrees. Third, we have done well in three-dimensional development. For example, some households engaged in rearing animals have, in accordance with "food chain" principles, engaged in joint pig and fish growing, duck and fish growing, and fish and paddy growing, and have thereby formed three-dimensional breeding models in which "there are fish in the water, ducks on the water, and pigs by the side of the water." This has brought quite good ecological results. Fourth, we have done quite well in comprehensive development. Some areas have used waste mountain and water areas to establish comprehensive development areas for forestry, special products, aquatic products, animal husbandry, grain, vegetable, and seedling bases. Fifth, we have done well in scientific and technological development. To positively develop science and technology, we have enlivened the ranks of scientists and technicians, employed a large number of capable village people as township and village rural technicians and technical backbones of enterprises, and responsible persons in the specialized science and technology associations. This has promoted a great improvement in the level of development.

Although agricultural development in our prefecture has seen initial progress, there remains the issue of how to continually raise the levels of understanding and development. We must recognize that raising the level of development is determined by raising the understanding of development, and the raising of understanding requires quite good development results to educate and encourage the people. The two form a dialectical unity, but a unity which is achieved time after time under new conditions and at a new level of practice. The history of mankind is such a history of development from the kingdom of inevitability to the kingdom of freedom. The

inevitable trend of this historical development is where our confidence in deepening development lies.

Footnotes

1. *Selected Works of Mao Zedong, Volume 1*, p. 272.
2. *Ibid.*, Volume 1, p. 261.

Enlightenment From the 'Bright Mirror'

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[Article by Xu Hengzu (1776-1854 6398)]

[Text] On 13 September ZUZHI RENSHI BAO [ORGANIZATION AND PERSONNEL NEWS] printed the following story. In 1955, before the Chinese People's Liberation Army conferred titles on its officers. Xu Guangda, commander of Armored Troops, was worried when he heard that he would be promoted to the rank of senior general. Not only did he go in person to Comrade He Long and ask for a demotion, he also sent his "application for a demotion" to Comrade Mao Zedong. In his application, General Xu sincerely and carefully expressed his apprehension and discomfort about this impending promotion. He humbly pointed out that in terms of his character, talent, experience, and achievements, he was not qualified to be a senior general. General Xu took the initiative to recommend Comrade Wang Zhen instead. He said, "For the sake of my conscience and in the name of justice, please confer on me the title general, and let someone who is more deserving receive the title senior general."

This "application for a demotion" is only 500 words long, but it is most touching and unusual. It shows the broad-mindedness and the sublime spirit of a great proletarian revolutionary. After Mao Zedong, chairman of the Central Military Committee, received the "application for a demotion," he hoisted the paper and announced loudly to the other leaders in the committee, "This is a bright mirror, the mirror of self-revolution of a Communist Party members."

Thirty years have passed since this incident occurred. General Xu and most of the Military Committee members have passed away. Yet when we look back on the incident, especially when we reread the "application for a demotion," we are still touched by it.

Communists have always valued self-revolution; they consider criticism and self-criticism the weapons of revolution. They will dissect themselves as ruthlessly as they will dissect their enemies. They do this in order to safeguard the purity of the ideology, structure, and work style of the party. This is also the power base of our party. This is how we managed to achieve great success in our revolution and construction, even under the most difficult conditions.

However, after we gained our status as the ruling party, some Communist Party members have gradually forgotten to preserve the good traditions and work style in this new era, and have thrown away the bright mirror of self-revolution that was recommended by Comrade Mao Zedong. Some people never look at themselves with a bright mirror. Instead, they point a "flashlight" at others. They make excuses to cover their own errors while at the same time exaggerating their own achievements. When it comes to appraising other people, they pick on every small mistake and ignore the overall achievements. Therefore, when they run into problems, they will not be able to appraise the situation or evaluate themselves. Instead they are often led by a misconception of themselves. They frequently hinder the party organization and fight over fame, status, wages, and treatment as if the party should forever be in debt to them. If their individual wishes cannot be satisfied, they are full of complaints and feel despondent, even though the reason for their failures to obtain what they want is because they are unqualified in many areas. Their achievements are few and they lack morality, ability, and industriousness. They would never think of making self-evaluation. Instead, they complain that they have been unfairly

treated. They worm their way around, not stopping until they can get the fame, status, job titles, and wages they want. These people and their doings have damaged the great image of the party and aroused disrespect from the masses. Every Communist who has a sense of responsibility, whenever he looks at these people, will feel uncomfortable and disturbed, as if a small drumstick were striking his heart.

At present, our country is in the middle of reform and openness. Communist Party members have to fulfill their historical assignment of regenerating China. We must withstand the international reactionary forces and resist the strategy of peaceful evolution. This is why we must continue to strengthen our party apparatus. We must advocate and expand the glorious heritage from our revolution, and carry forward the tradition of positive ideology, morality, and work styles from the revolutionaries of the older generation. We should remember the revolutionaries such as Comrade Xu Guangda, who dedicated themselves to the cause of communism. They are the bright mirrors reflecting the Chinese revolution. And this is the bright mirror for all the Communist Party members.

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